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UNDP budget estimates for the biennium 2004-2005

Report of the Administrator

Summary

The present report contains UNDP budget proposals and related estimates for the biennium 2004-2005. It forms part of, and underpins, the multi-year funding framework for the period 2004-2007.

The proposals align resources behind a strategy to consolidate and deepen reforms that have taken place in UNDP under the Administrator's Business Plans, 2000-2003. With the overarching objective of improving the performance of the United Nations development system and UNDP at the country level, the main budgetary themes and continuing programme of organizational change are: (a) strengthening the role of UNDP in the United Nations system in line with the reform agenda of the Secretary-General; (b) building knowledge and learning; and (c) enhancing efficiency, performance and results-orientation. In this context, the proposals also reflect efforts by UNDP to support programme countries in their quest to achieve the Millennium Development Goals.

Following major budget reductions over the past decades and painful cuts in 2002-2003, in addition to cost increases to sustain the UNDP structure, specific investments are needed if the organization is to meet the high expectations placed on it.

As outlined in this report, the Administrator is proposing a budget in net terms of $575.2 million for the biennium 2004-2005, which is $72.6 million greater than the net budget approved by the Executive Board for the biennium 2002-2003 in its decision 2001/13. This incorporates total net volume increases of $18.6 million and net cost increases amounting to $54 million. The estimates incorporate an increase of $6 million to projected income that offsets the gross support budget, amounting to $70.3 million in 2004-2005, from $64.3 million in 2002-2003.

Elements of a decision

Two draft appropriation decisions appear on pages 44 and 45 pertaining to: (a) the UNDP biennial budget, 2004-2005; and (b) the biennial budgets, 2004-2005, of the United Nations Capital Development Fund and the United Nations Development Fund for Women.

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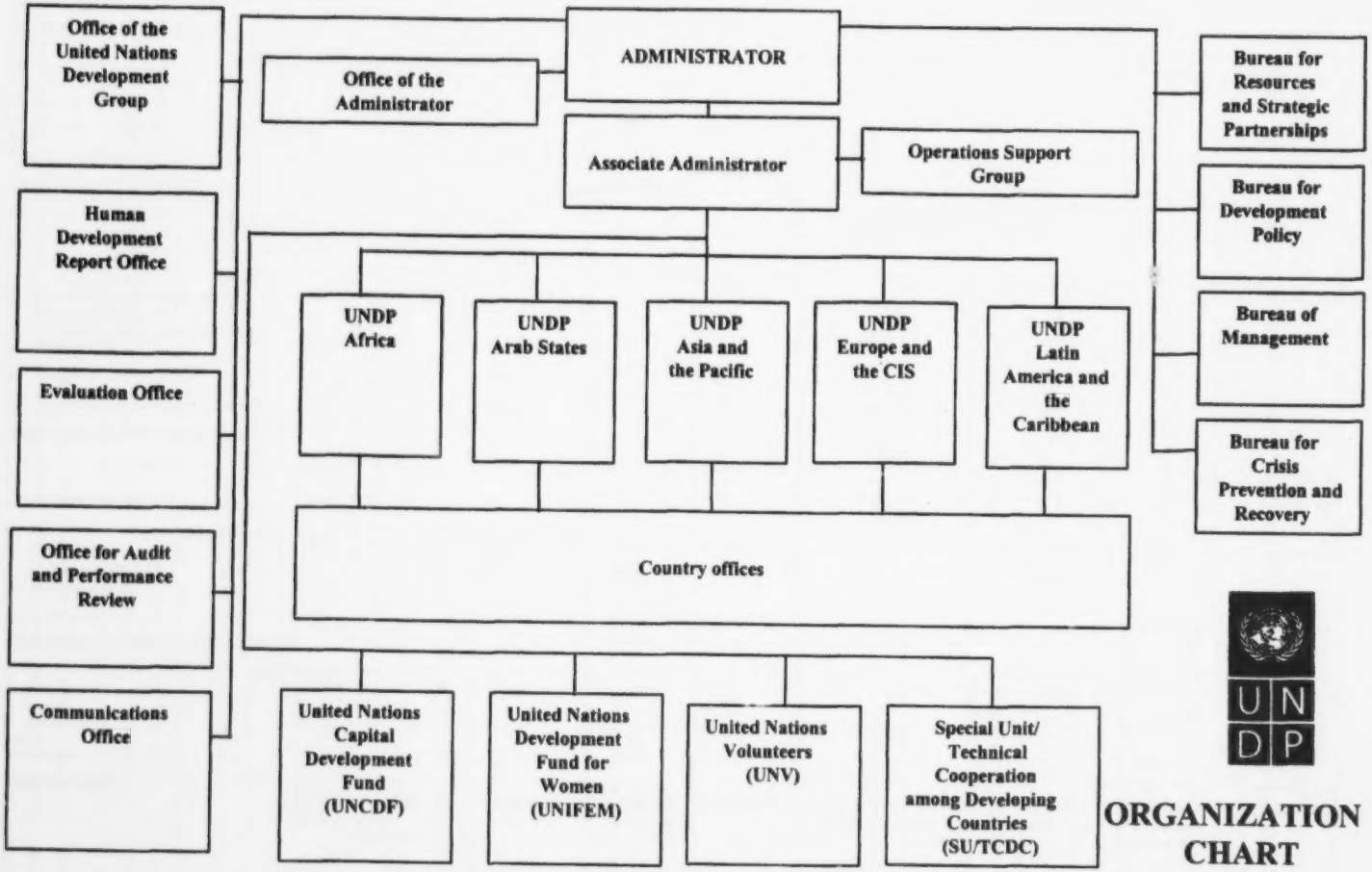

Office of the United Nations Development Group
Human Development Report Office
Evaluation Office
Office for Audit and Performance Review
Communications Office
Office of the Administrator
ADMINISTRATOR
Associate Administrator
Operations Support Group
Bureau for Resources and Strategic Partnerships
Bureau for Development Policy
Bureau of Management
Bureau for Crisis Prevention and Recovery
UNDP Africa
UNDP Arab States
UNDP Asia and the Pacific
UNDP Europe and the CIS
UNDP Latin America and the Caribbean
Country offices
United Nations Capital Development Fund (UNCDF)
United Nations Development Fund for Women (UNIFEM)
United Nations Volunteers (UNV)
Special Unit/ Technical Cooperation among Developing Countries (SU/TCDC)
UNDP

ORGANIZATION CHART

Table 1. UNDP resource plan

Resources available	2002-2003 Donor Resources: Regular resources $	Other resources (Donor Co-financing) $	Total Donor Resources $	%	Local Resources: Other resources (Government Cost sharing) $	%	Total Resources $	%	2004-2005 Donor Resources: Regular resources $	Other resources (Donor Co-financing) $	Total Donor Resources $	%	Local Resources: Other resources (Government Cost sharing) $	%	Total Resources $	%
Opening balance	34.3	646.3	680.6		616.7		1 299.3		29.1	519.3	548.4		819.9		1 368.3	
Income																
Contributions	1 700.0	1 329.5	3 029.5		2 002.8		5 032.3		1 700.0	1 807.0	3 507.0		2 100.0		5 607.0	
Other a/	-	50.8	50.8		81.1		131.9		-	50.0	50.0		76.0		126.0	
Reimbursement for services	-	26.1	26.1				26.1		-	25.9	25.9				25.9	
Total	1 734.3	2 052.7	3 787.0		2 702.6		6 489.6		1 729.1	2 402.2	4 131.3		2 995.9		7 127.2	
Use of resources - Programme and support activities																
A Programmes	1 176.1	1 276.5	2 452.6	83.5	1 807.7	96.0	4 260.3	88.4	1 121.0	1 873.0	2 994.0	83.3	1 878.0	96.3	4 872.0	87.9
B Programme support																
1 Country offices b/	212.6	56.7	269.3	9.2	58.0	3.1	327.3	6.8	243.7	92.1	335.8	9.3	55.2	2.8	391.0	7.1
2 Headquarters	59.9	40.5	100.4	3.4	7.4	0.4	107.8	2.2	70.5	47.2	117.7	3.3	6.2	0.3	123.9	2.2
Total programme support	272.5	97.2	369.7	12.6	65.4	3.5	435.1	9.0	314.2	139.3	453.5	12.6	61.4	3.1	514.9	9.3
C Management and administration	109.3	6.7	116.0	3.9	9.6	0.5	125.6	2.6	127.0	17.6	144.6	4.0	11.0	0.6	155.6	2.8
Total	1 557.9	1 380.4	2 938.3	100.0	1 882.7	100.0	4 821.0	100.0	1 562.2	2 029.9	3 592.1	100.0	1 950.4	100.0	5 542.5	100.0
Support to operational activities of the United																
D. Programme support to resident coordinators	26.5	-	26.5		-		26.5		24.0	-	24.0		-		24.0	
E. UNV Special Voluntary Fund c/	-	137.0	137.0				137.0		-	175.0	175.0				175.0	
F Country offices b/	92.5	-	92.5		-		92.5		104.6	-	104.6		-		104.6	
United Nations Development Group Office	2.7	0.3	3.0		-		3.0		2.9	0.8	3.7		-		3.7	
United Nations Volunteers	24.5	5.7	30.2		-		30.2		25.5	8.0	33.5		-		33.5	
Inter-Agency Procurement Services Office	1.1	10.0	11.1		-		11.1		1.0	12.0	13.0		-		13.0	
Subtotal	120.8	16.0	136.8		-		136.8		134.0	20.8	154.8		-		154.8	
Total	147.3	153.0	300.3		-		300.3		158.0	195.8	353.8		-		353.8	
TOTAL	1 705.2	1 533.4	3 238.6		1 882.7		5 121.3		1 720.2	2 225.7	3 945.9		1 950.4		5 896.3	
Closing balance	29.1	519.3	548.4		819.9		1 368.3		8.9	176.5	185.4		1 045.5		1 230.9	
Biennial support budget																
Total net budget estimates d/	502.6	119.9	622.5		75.0		697.5		575.2	177.7	752.9		72.4		825.3	
Estimated income and adjustments																
Reimbursement for services	-	26.1	26.1				26.1		-	25.9	25.9				25.9	
Income to the budget	64.3	-	64.3		-		64.3		70.3	-	70.3		-		70.3	
Subtotal	64.3	26.1	90.4		-		90.4		70.3	25.9	96.2		-		96.2	
TOTAL GROSS BUDGET ESTIMATES	566.9	146.0	712.9		75.0		787.9		645.5	203.6	849.1		72.4		921.5	

a/ Includes interest and miscellaneous income

b/ The 2002-2003 approved amounts have been adjusted to reflect the new percentage distribution of 26 per cent for Support to operational activities of the UN, as described in section II.D.2

c/ Includes financial value of volunteer assignments that are charged directly to agencies and partners

d/ Includes items B, C, and F

Note When amounts between different tables in the present document are cross-referenced, there may be differences of +/- 0.1 due to rounding.

I. Executive summary

1. This document presents UNDP support budget estimates and related proposals of the Administrator for the biennium 2004-2005. The proposals reflect the need and opportunity to consolidate and deepen the reforms implemented by UNDP in the past four years in support of the continuing United Nations reform agenda – as laid out in the report of the Secretary-General, Strengthening the United Nations: an agenda for further change (A/57/387) – particularly to become the strongest possible partner for programme countries in their quest to achieve the Millennium Development Goals (MDGs).

2. In 2004, UNDP begins a new multi-year planning period covering the years 2004 through 2007. As an integral part of the second multi-year funding framework, 2004-2007, presented in document DP/2003/32, the biennial support budget covers the structural requirements of the organization during the first half of the planning period. The new programming arrangements endorsed by the Executive Board in September 2002 in its decision 2002/18 are also now fully aligned with the four-year planning period. Commencing in 2007, the multi-year funding framework, programming arrangements and the first biennial support budget for the ensuing period will all be reviewed and approved by the Board at the same session – the ultimate step towards a fully integrated budget.

3. The 2004-2005 support budget estimates for UNDP administered funds – the United Nations Development Fund for Women (UNIFEM) and the United Nations Capital Development Fund (UNCDF) – are presented in chapter III.

A. Objectives and strategy

4. The Administrator's Business Plans, 2000-2003, initiated a major transformation in the way UNDP operates, emphasising programmatic quality, performance and results orientation. The 2004-2005 budget is designed to ensure sustainability of the outcomes of the Business Plans, 2000-2003, and fund the continued transformation agenda of UNDP. This, in turn, is intended to ensure that UNDP has the internal capacity to be an effective partner in maximizing development results and meeting the commitments of the Millennium Declaration.

5. The overall strategy of the organization for the period 2004-2007 is presented in the second multi-year funding framework, 2004-2007. The overriding objective of the strategy is to align the organization fully behind the goals of the United Nations reform agenda of the Secretary-General. The 2004-2005 budget supports this strategy through more efficient use of existing resources and additional targeted investments.

6. In September 2002, the Secretary-General launched his report Strengthening of the United Nations: an agenda for further change (A/57/387) aimed at making the United Nations a more effective instrument for pursuing the priorities adopted in the Millennium Declaration. The report identifies challenges that the United Nations has to meet as it adapts to remain effective in dealing with globalization and its impact on development, the pursuit of the Millennium Development Goals, and conflict prevention. In essence, the agenda states that the United Nations must deepen its knowledge, sharpen its focus and act more effectively. For UNDP, this carries an obligation to continue championing reform efforts within the United Nations Development Group and enhancing performance and effectiveness at the country level.

7. With this in mind, the key themes of the 2004-2005 strategy are: (a) partnering within and external to the United Nations system; (b) knowledge and learning to enhance UNDP capacity to support national development goals; and (c) efficiency, performance and results orientation. In addition, a special focus will be given to crisis prevention and recovery, in view of the growing demand for UNDP services in this area.

8. Over the 2002-2003 biennium, significant cost reductions were reinvested in strategic priorities of the organization, such as human resources, information and communication technology, and knowledge management. The new budget accentuates this trend of reallocating resources to meet changing needs. In

addition to the more efficient use of existing resources, some increased investment will be required in certain strategic areas.

9. For this purpose, a net real growth budget is presented for 2004-2005. In net terms, there is a small volume increase of 3.7 per cent and cost increases amounting to 10.7 per cent. The total net increase amounts to 14.4 per cent. Cost increases are required to sustain the current UNDP structure, while volume increases relate to specific strategic investments crucial to the organization in its current reform process as well as in responding to changing demands.

Cost containment

10. The main causes of the escalation in costs have been the weakening of the United States dollar and General Assembly resolution 57/285 on salary increases in the international professional categories. Cost increases have been contained through continued organizational reforms at headquarters and country office levels over the past few biennia. The 2000-2001 functional review of headquarters narrowed its focus to key corporate functions and country office support. This resulted in approximately 169 positions redeployed to the field and 138 positions eliminated. At the country level, the key responsibilities of UNDP will continue to demand a stronger, flexible and responsive country presence. All 136 country offices were re-profiled during 2001-2002 to adapt to the changing demands of programme countries. The exercise resulted in better alignment of country office structures and staff profiles with the UNDP business model while still allowing the elimination of 667 posts through cost reductions, mostly by rationalization of support functions.

11. Efficiency and cost effectiveness will continue to be paramount for headquarters and country office operations. Business process re-engineering and the maximum utilization of information and communications technology will continue to be key management priorities. The implementation of the Enterprise Resource Planning (ERP) system will further support the organization in this regard. Once fully implemented during 2004-2005, the ERP system will have considerable implications on UNDP operations, including opportunities for further consolidation of functions and related operations. The budget will also support important pilot initiatives to rationalize the different tiers of management and operations in UNDP between corporate, regional and country levels.

Strategic investments

12. A total investment of $24.6 million is proposed in the following priority areas: partnering within the United Nations system and beyond; knowledge and learning; efficiency, performance and results; and crisis prevention and recovery.

Partnering within the United Nations system and beyond

13. A priority of the United Nations system is to enhance its collective impact at the country level. Through its role as coordinator of the United Nations development system at the country level, UNDP will invest further in United Nations reform with a practical and operational focus that will translate into tangible development results at the country level. At the centre of this agenda is the initiative for simplification and harmonization, which will also make collaboration with host country governments more effective. Specific measures include initiatives such as joint programming, pooling of resources, common databases and knowledge networks, dedicated support for the resident coordinator, and integrated planning, budgeting and resource mobilization tools for countries emerging from conflict. It is also anticipated that the 'joint office model' will be piloted in at least two countries in partnership with UNFPA and the United Nations Children's Fund (UNICEF).

14. Strategic partnerships are key for UNDP and allow the organization to leverage its expertise and deliver on development outcomes. UNDP must invest more in cultivating existing partnerships and in forging new ones. This is particularly significant for the organization in its role of scorekeeper and campaign manager for the Millennium Development Goals. There is also a clear necessity to boost country offices' capacity to enter into meaningful partnerships – particularly in low-income countries where the need is greatest. To this end, the 2004-2005 budget strategy proposes an increased capacity for the Bureau for Resources and Strategic Partnerships (BRSP) to meet the needs of country offices.

15. An investment of $1.8 million is being proposed for strengthening overall UNDP capacity to build institutional relationships externally, as well as to strengthen country office performance in this area. Another $1.3 million is allocated for country-level support activities.

Knowledge and learning

16. In its efforts to become a truly knowledge-oriented organization capable of managing a knowledge network across the United Nations system, UNDP still needs to focus on developing value-added content with sharper, innovative products and services that country offices can contribute to national priority programmes. This has implications for the support budget, in particular, in terms of enhancing staff participation in practices, strengthening support provided through the sub-regional resource facility system and upgrading information and communications technology for knowledge management, for which a $2 million investment is being proposed.

17. The progression toward being a knowledge-based organization and the changing demands placed on UNDP from a rapidly changing environment also require a steady investment in learning. The organization and its staff must be equipped with appropriate skills and competencies to remain competitive and relevant in facing the demand for its advisory and development services. The practice structure adopted by UNDP also demands that staff maintain substantive, up-to-date knowledge in the service lines offered by the organization. The key drivers in this area will be to develop coordinated learning strategies and approaches that reach the largest population of staff in the most cost-effective fashion. In recognition of the need for a new approach to learning, UNDP has revamped its Learning Resource Centre to develop more effectively and disseminate new learning products. An additional investment of $4 million is being proposed for learning, bringing the learning budget of UNDP to 3.5 per cent of total staff costs, compared with the target of 5 per cent in the Business Plans, 2000-2003.

Efficiency, performance and results

18. The United Nations reform agenda emphasises development effectiveness at the country level. A critical element of the success of UNDP is its capacity to respond quickly and efficiently to the evolving needs and demands of programme countries. People are a vital asset in achieving this, and the success of UNDP will depend largely on the capacity of its staff. To this end, the organization will continue to ensure that it attracts, retains and develops appropriate talent through pro-active planning and management of its workforce. This will include rejuvenating the workforce by increasing the number of entry-level positions. The organization will also increase its flexibility in assigning resources (human and financial) to enable rapid deployment where needed, when needed. An investment of $3 million is proposed to increase the allocation for separations related to workforce planning and another $3 million for the establishment of 10 entry-level international professional posts.

19. Furthermore, expanding the service centre concept will be an integral part of the budget. The objective is to gradually create a critical mass of advisory, programme and operational capacity at the sub-regional level, which will achieve maximum economies of scale by pooling resources in supporting country offices. The expanded sub-regional resource facilities would be under decentralized regional bureau oversight with matrix management arrangements with central units, such as the Bureau for Development Policy (BDP), the

Bureau for Crisis Prevention and Recovery (BCPR), the Bureau of Management (BOM) and BRSP. During 2004-2005, pilots will be carried out in the Africa, Latin America and Caribbean, Europe and Commonwealth of Independent States, and Asia and Pacific regions. To support this initiative, an investment of $2.4 million is being proposed. A further $2.2 million is also earmarked for strengthened support to country offices.

Crisis prevention and recovery

20. The role of UNDP in crisis prevention and recovery has evolved over the years based on demands from programme countries. Furthermore, changes in the global situation since September 2001 have resulted in greater demand for UNDP services in this area. This situation led to the strengthening of the Emergency Response Division and its subsequent upgrading in 2001 to create BCPR.

21. Recognizing the minimal regular resources funded capacity of the bureau, staffing has been dependent upon targeted donor support and other resources income earned from donor-funded programmes and projects. This current funding mix for BCPR is unsustainable considering its increasing responsibilities, including the management of designated regular-resources-funded programme resources for countries in crisis under the programming arrangements. As such, a more realistic regular support budget funded base is being proposed amounting to a volume increase of $4.9 million.

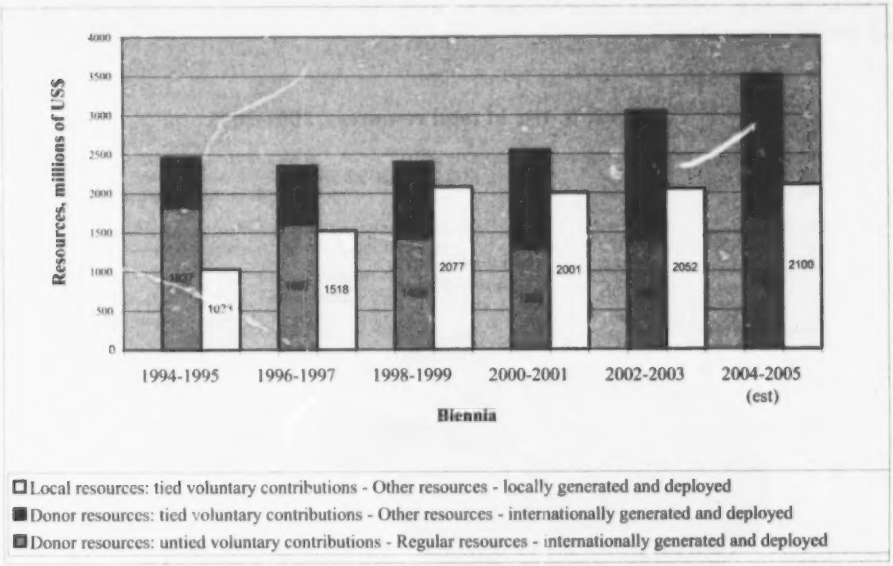
Use of results-based management

22. Use of results-based management has become central to UNDP in driving development, management and staff performance towards improved organizational effectiveness. A framework of results-based planning and performance management instruments that cascades from the organizational level through the unit and country office level to the individual staff member has been established, focussing on both developmental and management activities. Results-based management was first introduced in UNDP to increase focus on development results. The first multi-year funding framework, 2000-2003 (DP/1999/30), adopted by the Executive Board in its decision 99/23, established a methodology to manage and report on the strategic use of both programme and support budget resources. The second multi-year funding framework, 2004-2007, lays out the new strategic results for the next four years. These will be reported to the Executive Board through the results-oriented annual reports.

23. In 2001, UNDP introduced a balanced scorecard to capture progress made in implementing the business strategy of the organization in support of achieving development results. A set of indicators was established for country offices and headquarters. The UNDP corporate balanced scorecard report 2002 is available on the Executive Board web site at www.undp.org/execbrd/index.htm. Unit level scorecards are actively used for performance management and accountability purposes. Similarly, the balanced scorecard for 2004-2005 will be used to align the budget strategy and resource allocations with desired results. Quantitative indicators for each strategic objective will measure progress towards the expected results.

B. Financial framework

Figure 1. UNDP contributions by funding category, 1994-1995 to 2004-2005



24. Following the decline in regular resources for many years, contributions have begun growing since 2001, as shown in figure 1. Over the past decade, the funding base of UNDP has undergone significant structural changes. Many of the traditional donors have, as a group, modified their contribution pattern to favour other resources in the form of cost sharing and trust funds over regular resources. The Executive Board in its decision 98/23 on the UNDP funding strategy recognized this trend and introduced a results-based management framework covering all funding sources. It also set ambitious funding targets for voluntary contributions as these safeguard the universal character of UNDP, including the United Nations resident coordinator function, and enable UNDP to respond to needs of programme countries with a strong focus on the low-income countries.

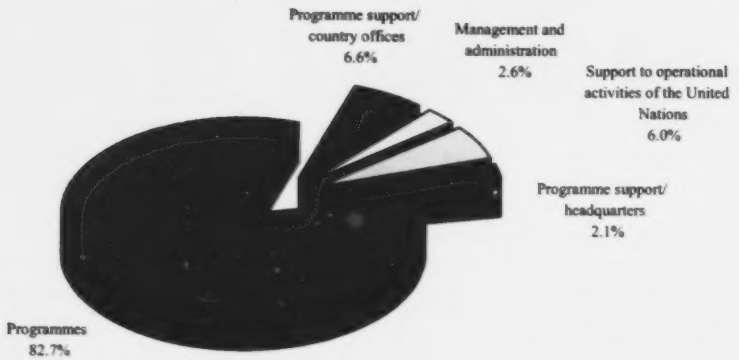
25. It is in response to the reforms implemented under the Business Plans, 2000-2003, that the declining trend in regular resources through voluntary contributions has been reversed from the low point of $630 million in 2000. Bolstered by this renewed donor support and the current weakening of the United States dollar, regular donor resource projections for 2004 and 2005 now stand at $800 million and $900 million, respectively.

26. Other donor resources – principally from the members of the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) – for trust funds and cost sharing have shown a consistently strong upward trend. For the 2004-2005 biennium, the projected cost sharing and trust fund contributions are estimated at $1.8 billion, bringing the projected total donor resource contributions for 2004-2005 to an estimated $3.5 billion. Conversely, the trend for local resources provided by host governments has followed a different pattern. After a steep increase during the 1990s, the income has stabilized in recent years with the projection for 2004-2005 estimated at $2.1 billion. Total contributions for 2004-2005, comprising both donor and local, are estimated at $5.6 billion.

27. All regular and other resources contribute to development results, as detailed in the second multi-year funding framework, 2004-2007 (DP/2003/32). However, while regular resources reach all programme countries in line with the formula driven by Executive Board decision 2002/18 on the programming

arrangements for the period 2004-2007, the distribution of other resources varies significantly among regions and individual countries. Regular and other resources also contribute in different measures to the organizational infrastructure at headquarters and country offices. The current budget seeks to adjust to the reality of UNDP as a multi-funded organization. Against this background, UNDP has revised its cost-recovery policy so as to achieve a better balance between the contributions of regular and other resources to the actual cost of its operations.

Figure 2. Use of total resources, 2004-2005



28. The use of the projected resources amounting to $5.9 billion for the 2004-2005 biennium is shown in figure 2, distributed against the common categories of the harmonized budget format: programme, programme support (headquarters and country offices), United Nations support, and management and administration.

29. The UNDP resource plan for 2004-2005, covering both regular and other resources, is presented in table 1. The resource plan has three sections covering donor and local resources, which are: (a) resources available, comprising total contributions of $5.6 billion, other income of $126 million, reimbursement for services of $25.9 million and an opening balance of $1.4 billion; (b) use of resources, comprising projections for programme, programme support and management and administrative activities amounting to $4.9 billion, $515 million and $155.6 million, respectively, and support to operational activities of the United Nations amounting to $353.8 million; and (c) reconciliation of the overall resource plan with the biennial support budget, covering the total net and gross budget estimates that are being presented to the Executive Board.

30. In preparation for the next support budget covering the period 2006-2007, the Administrator proposes to consult with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Executive Board on taking the next vital steps towards fully realizing a results-based budgeting concept. This would include a review and classification of activities that are most appropriately charged to programme resources and to other resources income so as to reflect a more realistic level of overhead costs in the regular support budget.

Table 2. Summary of main areas of increase/decrease

(in thousands of United States dollars)

		Volume	Cost	Total
I.	2002-2003 NET APPROPRIATION ESTIMATES			502 562.7
II.	INCREASES			
	A. Country offices			
	(i) Strategic investments			
	Learning and training	3 054.3	-	3 054.3
	LEAD programme	2 663.7	-	2 663.7
	Separations	2 019.0	-	2 019.0
	Enhanced Knowledge Management and Results-Based Management	1 000.0	-	1 000.0
	Regional operations capacity pilots	2 395.8	-	2 395.8
	Strengthening partnerships and support to MDG outreach activities	1 336.0	-	1 336.0
	Strengthening of country offices and regional capacity	2 154.4	-	2 154.4
	Subtotal	14 623.2	-	14 623.2
	(ii) Cost adjustments			
	Net operating expense related cost adjustments	-	14 548.8	14 548.8
	Net local post related cost adjustment	-	5 289.4	5 289.4
	Net International post related cost adjustments	-	14 749.8	14 749.8
	Subtotal	-	34 588.0	34 588.0
	Country office total increase	**14 623.2**	**34 588.0**	**49 211.2**
	B. Headquarters			
	(i) Strategic investments			
	Learning and training	945.7	-	945.7
	LEAD Programme	318.0	-	318.0
	Strengthening Crisis Prevention and Recovery Capacity	4 902.8	-	4 902.8
	Strengthening partnerships and support to MDG outreach activities	1 803.6	-	1 803.6
	Enhanced Knowledge Management and Results-Based Management	1 000.0	-	1 000.0
	Separations	1 009.5	-	1 009.5
	HQ Security	500.0	-	500.0
	Subtotal	10 479.6	-	10 479.6
	(ii) Cost adjustments			
	Net operating expense related cost adjustments	-	3 471.3	3 471.3
	Currency adjustments	-	1 778.1	1 778.1
	Net International post related cost adjustments	-	15 940.1	15 940.1
	Subtotal	-	21 189.5	21 189.5
	Headquarters total increase	**10 479.6**	**21 189.5**	**31 668.1**
	TOTAL INCREASES	**25 102.8**	**55 777.5**	**80 880.3**
III.	DECREASES			
	A. Country offices			
	Currency adjustments	-	(872.5)	(872.5)
	Country office total decrease	**-**	**(872.5)**	**(872.5)**
	B. Headquarters			
	Net post related adjustments	(211.7)	(890.8)	(1 102.5)
	IAPSO	(316.6)	-	(316.6)
	Headquarters total decrease	**(528.3)**	**(890.8)**	**(1 419.1)**
	TOTAL DECREASES	**(528.3)**	**(1 763.3)**	**(2 291.6)**
IV.	NET ADJUSTMENTS	24 574.5	54 014.2	78 588.7
V.	NET CHANGE IN ESTIMATED INCOME			
	Increase in tax reimbursement offset	(2 483.0)		(2 483.0)
	Increase in UNV contributions	(300.0)		(300.0)
	Increase in government contributions to local office costs	(3 200.0)	-	(3 200.0)
	Subtotal	(5 983.0)	-	(5 983.0)
VI.	2004-2005 NET APPROPRIATION ESTIMATES	18 591.5	54 014.2	575 168.4

C. Summary of proposals

31. The total 2004-2005 gross appropriations are estimated at $645.5 million and is presented in table 3 by appropriation line, and further broken down by organizational unit in summary table 1. An overview by main expenditure category is presented in summary table 2. After applying the estimated biennial income of $70.3 million to the gross appropriations, the total 2004-2005 net appropriation budget is projected at $575.2 million. The total change in the gross appropriation from 2002-2003 amounts to an increase of $78.6 million, which comprises the net result of volume increases of $24.6 million and net cost increases of $54.0 million. The volume increase of $24.6 million is further offset by a corresponding estimated income increase of $6.0 million, resulting in a final net volume increase of $18.6 million.

Table 3. Gross budget estimates by appropriation line and by location
(thousands of United States dollars)

	2002-2003		Changes				2004-2005	
	Approved appropriations	% of Total	Volume Inc/(Dec.)	Volume %	Cost Inc/(Dec.)	Cost %	Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices a/	263 114.4	46.4%	10 138.9	3.9	24 396.2	9.3	297 649.5	46.1%
Headquarters	62 356.1	11.0%	5 184.0	8.3	7 754.2	12.4	75 294.3	11.7%
Management and administration b/	116 457.7	20.5%	6 005.8	5.2	10 903.3	9.4	133 366.8	20.7%
Support to operational activities of the United Nations								
Country offices a/	82 445.5	16.3%	3 562.4	3.9	8 571.6	9.3	104 579.5	16.2%
United Nations Development Group Office	2 700.9	0.5%	-	-	452.3	16.7	3 153.2	0.5%
Inter-Agency Procurement Services Office	1 112.7	0.2%	(316.6)	(28.5)	160.0	14.4	956.1	0.1%
United Nations Volunteers	28 702.4	5.1%	-	-	1 776.6	6.2	30 479.0	4.7%
TOTAL	566 889.7	100.0%	24 574.5	4.3	54 014.2	9.5	645 478.4	100.0%
By location								
Country offices	370 589.3	65.3%	14 623.3	3.9	33 715.4	9.1	418 928.0	65.0%
Headquarters	166 485.3	29.4%	10 267.8	6.2	18 362.2	11.0	195 115.3	30.2%
Inter-Agency Procurement Services	1 112.7	0.2%	(316.6)	(28.5)	160.0	14.4	956.1	0.1%
United Nations Volunteers	28 702.4	5.1%	-	-	1 776.6	6.2	30 479.0	4.7%
TOTAL	566 889.7	100.0%	24 574.5	4.3	54 014.2	9.5	645 478.4	100.0%
Income	64 327.0		5 983.0	9.3			70 310.0	
Net budget estimates	502 562.7		18 591.5	3.7	54 014.2		575 168.4	

a/ The 2002-2003 approved amounts have been adjusted to reflect the new percentage distribution of 26 per cent for Support to operational activities of the UN as described in section II.D.2.
b/ Includes both headquarters and country offices components.

32. After consecutive biennial support budget reductions (zero nominal growth budgets) since 1992-1993 (with one reprieve for a zero real growth budget in 1998-1999), the Administrator is presenting a real growth budget for 2004-2005. This will help ensure continued momentum in the context of initiatives set out in the Business Plans, 2000-2003, as well as safeguard the future sustainability of the organization. The proposals presented result in a real growth budget in both gross and net terms. Table 2 presents a summary of the main areas of increases and decreases. The volume increases for country offices and headquarters (including UNV and IAPSO) amount to $14.6 million and $10.0 million, respectively. Total cost adjustments amounting to $54.0 million are broken down in paragraph 34.

33. The volume increase of $24.6 million, reflected in table 3 by appropriation line and in summary table 1 by organizational unit, is further broken down by main area in table 2. Summary table 1 incorporates the adjustment between the categories programme support–country offices and support to operational activities of the United Nations. These adjustments result from a reassessment of UNDP country office workload related to support to operational activities of the United Nations, as discussed in paragraphs 110 to 112.

34. The net cost increase of $54 million, reflected in table 3 by appropriation line and in summary table 1 by organizational unit, is further broken down by different categories in table 2. Key factors for the relevant cost adjustments are as follows:

(a) A currency adjustment of $0.9 million – an increase as a result of the general weakening of the United States dollar, compared to $16.7 million in savings in the 2002-2003 regular support budget estimates;

(b) Post-cost adjustments amounting to a net increase of $35.1 million as a result of:

(i) A net increase of $10.3 million relating to revised international post salaries;

(ii) A net increase of $15.6 million relating to post-adjustment, within-grade salary increments and re-costing of entitlements fully incorporating the impact of inflation;

(iii) A net increase of $3.9 million relating to re-costing of local posts fully incorporating the impact of inflation; and,

(iv) An upward adjustment of $5.3 million to incorporate the financial impact of the proposed reclassifications.

(c) Operating cost adjustments amounting to a net increase of $18.0 million fully incorporating the impact of inflation.

35. The full impact of inflation is estimated at 4.0 per cent, per year, for the budget as a whole, reflecting the combined effect of a 2.4 per cent annual inflation rate at headquarters and a 4.9 per cent annual inflation rate for the country office component of the budget.

Figure 3. Expenditure by main category

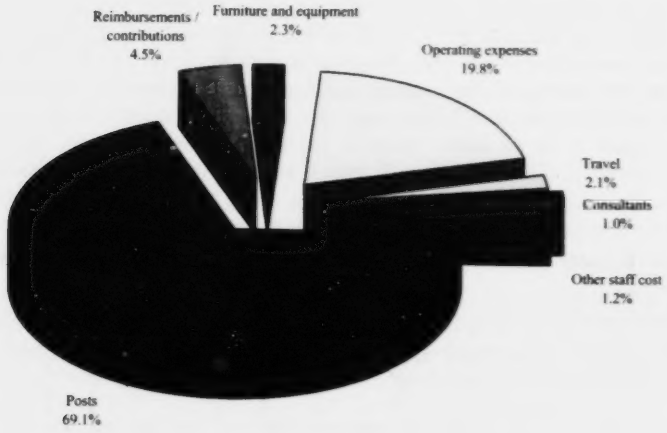
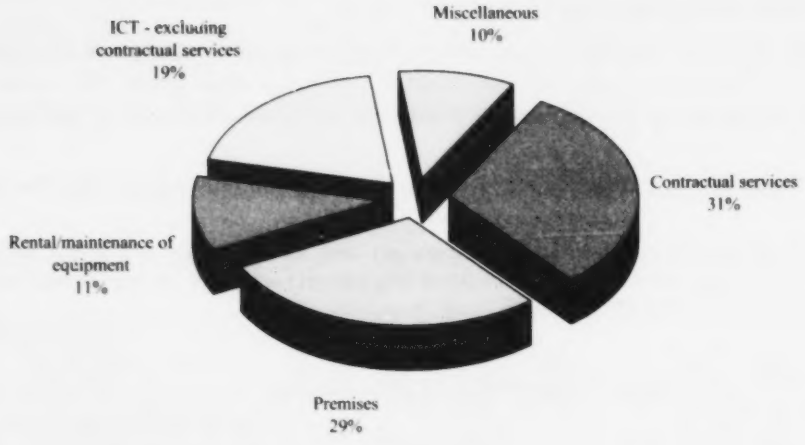


Figure 4. Expenditure breakdown: operating expenses



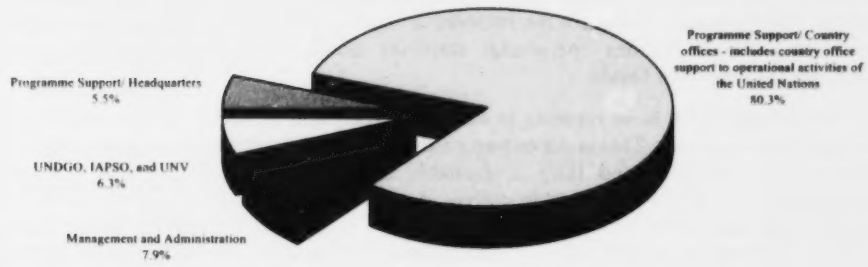
36. As shown in table 4, the total number of posts under the regular support budget decreased from 3 322 to 3 306. Posts at the country level constitute 81 per cent of the total posts, with headquarters, including UNV and IAPSO, covering the remaining 19 per cent. Programme support represents 85.8 per cent of total posts, of which 80.3 per cent are located at the country level and 5.5 per cent at headquarters. Posts under management and administration represent 7.9 per cent of total posts. Summary tables 4 and 5 present more detailed information. Figure 5 shows posts financed from regular resources by appropriation line. An internal review of the overall UNDP structure and related senior level posts is discussed in paragraphs 49 to 55.

Table 4. Regular resource posts by category, appropriation line and location

	2002-2003 Approved posts					Changes				2004-2005 Proposed posts				
						Increase/(Decrease)								
	IP	NP	GS	Total	% of Total	IP	NP	GS	Total	IP	NP	GS	Total	% of Total
By appropriation line														
Programme support														
Country offices	355	466	1873	2694	81.1%	10	80	(129)	(39)	365	546	1744	2655	80.3%
Headquarters	85	-	83	168	5.1%	15	-	(2)	13	100	-	81	181	5.5%
Management and administration a/	104	7	143	254	7.6%	15	4	(9)	10	119	11	134	264	7.9%
Support to operational activities of the United Nations														
Country offices b/														
United Nations Development Group Office	4	-	6	10	0.3%	-	-	-	-	4	-	6	10	0.3%
Inter-Agency Procurement Services Office	1	-	1	2	0.1%	-	-	-	-	1	-	1	2	0.1%
United Nations Volunteers	27	60	107	194	5.8%	1	-	(1)	-	28	60	106	194	5.9%
TOTAL	576	533	2213	3322	100.0%	41	84	(141)	(16)	617	617	2072	3306	100.0%
By location														
Country offices	363	473	1878	2714	81.7%	13	84	(130)	(33)	376	557	1748	2681	81.1%
Headquarters	185	-	227	412	12.4%	27	-	(10)	17	212	-	217	429	12.9%
Inter-Agency Procurement Services Office	1	-	1	2	0.1%	-	-	-	-	1	-	1	2	0.1%
United Nations Volunteers	27	60	107	194	5.8%	1	-	(1)	-	28	60	106	194	5.9%
TOTAL	576	533	2213	3322	100.0%	41	84	(141)	(16)	617	617	2072	3306	100.0%

a/ Includes both headquarters and country offices components.
b/ All staff resources assigned to country offices are shown under Programme support - Country offices alone and are not split between Programme support - country offices and Support to the operational activities of the United Nations - country offices.

Figure 5. Regular resources posts by appropriation line, 2004-2005



37. In light of changing workforce requirements within the organization, post changes incorporate an increasing need for professional capacity at the international and national level and are balanced by compensating decreases in general service posts. As shown in summary table 4, there is a net reduction of 16 posts, broken down in the following manner:

(a) A net increase of 32 internationally recruited posts, comprising: two D1, four P5, six P4, 19 P3 and one P2;

(b) A net decrease of two locally recruited posts at headquarters; and,

(c) A net decrease of 46 local posts at the country level, comprising a decrease of 130 general service posts and an increase of 84 national professional posts, principally the result of conversions between the two categories on a budget neutral basis.

38. Summary table 4 also reflects net reclassifications of 39 international professional posts, which include conversions of support staff posts to the professional level. Net reclassification costs of international professional and local posts amount to $4.6 and $0.7 million, respectively, resulting in a total net cost of $5.3 million for the biennium. Key elements of the international professional net reclassifications are discussed in paragraphs 49 to 55.

II. Proposals for the 2004-2005 biennial support budget, UNDP

A. General

39. The 2004-2005 budget proposals build on and consolidate the achievements that took place under the Business Plans, 2000-2003, and also account for the changing environment and evolving needs of programme countries. The proposals recognize the imperative role for UNDP in promoting United Nations reform and coordinating United Nations operational activities aimed at helping programme countries achieve the Millennium Development Goals.

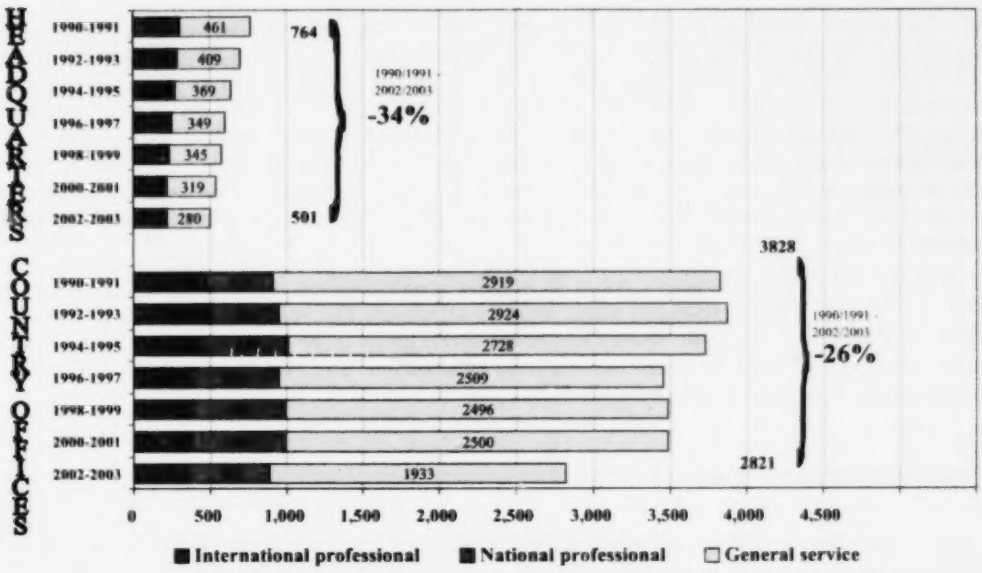
40. Critical to the success of UNDP is its capacity to respond quickly and efficiently to the evolving needs and demands of programme countries. This is dependent on the continued transformation of the organization into a lean, efficient, cost effective and fully accountable development partner offering top quality, knowledge-based services. The ability of UNDP to deliver, demonstrate and communicate results is crucial to the overall sustainability and growth in both regular and other resources. The culture of performance and accountability continues to be reinforced through results-based management. At a higher-level, results-based budgeting is supported through the balanced scorecard. It will be fully implemented in the context of phase II of the Enterprise Resource Planning rollout in 2005. In the meantime, the approach has already been introduced in the annual budgetary allocation process.

41. The proposed real growth budget for 2004-2005 needs to be viewed in the context of previous budgets. With the exception of a zero real growth budget for the 1998-1999 biennium, UNDP has implemented zero nominal growth budgets consecutively between the 1992-1993 and 2002-2003 biennia, amounting to $203 million in total volume reductions. As shown in figure 6, between 1990-1991 and 2002-2003, headquarters and country offices have reduced 34 per cent and 26 per cent of their capacities, respectively.

42. Regular resources pay for the basic structure upon which the universal presence of the United Nations rests and through which UNDP programmes are delivered. While cost recovery income under other resources have, at a global level, helped offset some of the reductions, these resources are country specific and relate to activities directly associated with the management and delivery of relevant programmes; they do not provide funding for the basic infrastructure of the organization. At the same time UNDP recognizes that, for the level of other resources programmes being managed, the level of cost-recovery income needs to be increased. As an integral part of the budget proposals, UNDP is introducing revised cost-recovery policies, discussed in paragraphs 130 to 134, which are designed to increase the level of income that the organization earns in supporting activities funded from other resources.

43. UNDP recognizes that ongoing organizational and operational reforms are required, at the headquarters and country office levels, to ensure strong performance at country level. The Administrator is committed to the continued efficiency and cost effectiveness of UNDP operations.

Figure 6. Regular support budget post reductions – biennia 1990-1991 through 2002-2003: international professionals, national professionals and support staff



1. Funding challenges for UNDP

Distinction between programme and overhead costs

44. The manner in which UNDP operates is reflected in its business model. The key functions are: United Nations system coordination; knowledge-based advisory services; and development services, including operational services. This business model remains to be aligned with the different funding sources available to UNDP.

45. Traditionally, the regular support budget was considered to be the overhead costs of the organization. The introduction of results-based management under the multi-year funding framework brought about a change in this concept in that UNDP was able to demonstrate how country office capacities, funded under the regular support budget, contributed directly to development results. To cite an example, country offices and headquarters policy units have recruited qualified staff and specialists to deliver knowledge-based advisory services and provide technical advice and operational support in the practice areas directly relevant to programme countries. Over time, the objective is to reflect all such expenditures as directly associated with the delivery of programmes – an established practice by many other development organizations, including bilateral agencies and non-governmental organizations. Along these lines annex 4 attempts to provide a more representative measurement of overhead.

46. There will be the need for UNDP to consult with the ACABQ and the Executive Board over the next two years to reach a common understanding on cost definitions and classifications with the aim of reflecting a rationalized approach in the next regular support budget for 2006-2007. This will also include a review of related funding sources. An assessment will be undertaken to clarify and classify activities that are directed toward development results (programme costs) versus activities directed towards the organization (administrative or overhead costs).

Sustainability in funding of headquarters and the global network of country offices

47. The multi-funded nature of UNDP and the proportional share of other resources present certain challenges in maintaining a stable infrastructure for the organization. The issue is addressed in this budget by introducing a concept of a common 'base structure' in all low and middle-income countries where UNDP has a minimum presence funded under the regular support budget to fulfil its United Nations system role. A base structure for each headquarters unit is also established based on corporate responsibilities and related functions. Augmentation of the base capacity is dependent on the volume of both regular and other resources managed by the country office, the complexity of the environment, the configuration of the country office, i.e., multi-country offices, and other related factors. This subject is further discussed within this document.

48. UNDP has revised its cost recovery policy to achieve proportionality in funding country offices and headquarters additional capacity (capacity above the base structure). The revised cost recovery will ensure all incremental costs associated at the country and headquarters levels in the delivery of programmes funded from other resources are covered through cost-recovery mechanisms. This is discussed in paragraphs 60 to 62 for country offices, and paragraph 83 for headquarters

2. UNDP structure and related senior-level posts

49. As part of the Business Plans, 2000-2003, UNDP has undertaken a comprehensive review of its organizational structure in both headquarters and country offices. This has led to the implementation of reform measures both at headquarters and country offices, reflected in the two previous budgets. At headquarters, a 'matrixed' organization was established to avoid duplication of functions; some units were merged and certain functions were either redeployed to the field or eliminated. At the field level, country offices have undergone a transformation to bring about a stronger, more flexible country presence to respond to the changing needs of programme countries.

50. Formulating the 2004-2005 budget proposals also entailed a review of the UNDP structure and related capacity requirements. Each function was examined to assess capacity requirements for 2004-2005. Current capacities were rationalized and, where required, post classifications were reviewed. As with all United Nations common system organizations, UNDP applies job classification standards that are approved and publicized by the International Civil Service Commission in its assessment of jobs. Since 1980, posts in the professional and higher categories have been ranked using a point rating standard developed by the International Civil Service Commission (ICSC) consisting of six factors, further sub-divided into 15 evaluation elements, common to all professional positions. The factors of evaluation are knowledge, difficulty, independence, contacts, supervision and impact. All positions, P1 through D2 and national officer posts at the country level, are evaluated using these standards. Using ICSC classifications, the substantive design of relevant posts resulted in post levels being upgraded or downgraded.

51. The most significant impact on post levels was related to the resident coordinator/resident representative and deputy resident representative categories; two posts were upgraded to the D2 level and 18 posts to the D1 level. In all cases, net post upgrades have been justified by significantly enhanced job requirements. In the context of increased decentralization and commitment to national ownership, the resident coordinator/resident representative functions include enhanced leadership and representational responsibilities; deputy resident representative functions have also been impacted by this. With regard to the posts of Director and Deputy Director in the Programme of Assistance to the Palestinian People, both are being proposed for upgrading to the D2 and D1 level, respectively, based on expanded responsibilities and related complexities. In many cases, post upgrades have been postponed as a result of budgetary constraints; continued delay is now unsustainable and there are considerable implications for UNDP in placing qualified and competent candidates in these positions. Furthermore, two regional bureaux are strengthening country offices by two D1 posts while bringing lower level posts to headquarters.

52. For headquarters, the post of Director, Office of the Administrator, is also being proposed for reclassification to the D2 level based on the current responsibilities and demands of the post. Four net upgrades from the P5 to D1 level are also proposed for Division Director, Regional Bureau; two Directors, Liaison Offices; and Director, Administration in UNV, based on expanded responsibilities and in line with similar functions across the organization. In addition, one D1 post is being proposed for the Millennium Development Goals coordination office as discussed in paragraph 93. Other upgrades to the D1 level are on a budget neutral basis and do not impact the total number of D1 posts.

53. Upgrading the Emergency Response Division to the status of bureau – the Bureau for Crisis Prevention and Recovery – as discussed in paragraphs 77 to 81, includes provisions for a basic infrastructure of 21 posts under the regular support budget. The leadership of BCPR requires high-level interaction within the United Nations system, Bretton Woods institutions and senior government officials both in programme countries and key bilateral donors. The Director of BCPR should bring a high profile to the position to allow UNDP to respond to the increasing demands in the area of crisis prevention and recovery, including resource mobilization. Considering the substantive complexities and managerial prowess required, in addition to the political dimensions of the work, the Administrator is proposing the establishment of an Assistant Secretary-General to head BCPR.

54. Considering the breadth of UNDP responsibility and, by extension, the span of responsibilities of each senior manager, one could arguably compare the senior management structure of the organization to that of the United Nations Secretariat. The responsibilities of UNDP go far beyond its own programmes; they include the coordination of United Nations development activities on behalf of the Secretary-General in line with relevant General Assembly resolutions.

55. The more complex part of the UNDP organizational structure relates to corporate functions carried out mainly at headquarters. Summarized in annex 3, UNDP corporate functions and related management responsibilities of bureaux/organizational units are reflected in the number of related senior level posts at the D-level and above.

B. Programme support

56. This section deals with the programme support component of the budget related to country offices and headquarters. As shown in table 3 and table 4, this component covers 57.8 per cent and 85.8 per cent of total appropriations and post resources, respectively. Of the 57.8 per cent of total appropriations, 46.1 per cent relates to country offices and 11.7 per cent to headquarters. Of the 85.8 per cent of total post resources, 80.3 per cent relates to country offices and 5.5 per cent to headquarters.

1. Country offices and regional facilities

57. This section covers budget proposals relating to programme support–country offices in the following areas: (a) 2004-2005 priorities and related deliverables of UNDP country offices and regional facilities; (b) building country office and regional capacity; and, (c) government contributions towards local office costs. Summary table 3 presents an overview by region of the use of resources for programme and programme support.

2004-2005 priorities and related deliverables of UNDP country offices and regional facilities

58. *Programmatic priorities.* The Millennium Development Goals will continue to drive the programmatic focus of UNDP. With the introduction of the 2004-2007 strategic results frameworks (SRF), country offices will focus on key interventions based on country demands in the six practice areas: democratic governance; poverty reduction; crisis prevention and recovery; energy and environment for sustainable development; information and communication technology for development; and HIV/AIDS. Country offices as well as SURF substantive capacities will need to be aligned to support these programmatic priorities.

59. *Operational priorities.* Continued enhancement of country office operational performance in 2004-2005 will focus on: (a) United Nations partnering; (b) knowledge and learning; and (c) efficiency, performance and results. Furthermore, the implementation of the Enterprise Resource Planning system will make it possible for UNDP to reassess the most optimal ways of providing support to country-level operations. Through the expansion of the current sub-regional resource facility approach, this could entail decentralization of certain functions from headquarters, and pooling some functions currently performed at the country office level. Such expanded sub-regional resource facilities would be under decentralized regional bureau oversight with matrix management arrangements with the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery, the Bureau of Management and the Bureau for Resources and Strategic Partnerships. During 2004-2005, a few pilots will be carried out in the Africa, Latin America and Caribbean, Europe and the Commonwealth of Independent States and Asia regions. An allocation of $2.4 million is being proposed under the 2004-2005 budget, which includes one international post to support the pilot exercise, as well as to assist country offices in change management. A further five international posts and five support staff are being proposed to support the five regional bureaux in managing the ongoing workforce planning requirements within regions so as to respond to programme country demands effectively.

Building country office and regional capacity, and centrally budgeted resources

60. To secure sound and sustainable funding for the country office network, the 2004-2005 budget strategy pushes further the rationalization of country office resource allocation in organizing the concept of base structure. This concept ensures that all UNDP offices in low and middle-income programme countries have a minimum critical mass of staff capacity, funded from regular resources, recognizing their responsibilities under the business model for support to operational activities of the United Nations, knowledge advisory, development and operational services, as well taking into account regular resource programme allocations.

61. The build up of country office capacity is determined by country office typology. The country office typology is intended to rationalize UNDP resource allocation throughout the organization at the country level, and provides a foundation for determining the base structure for individual country offices. The base capacity is defined as the minimum staffing funded from the regular support budget that an office needs to deliver on the core mandate of UNDP. Four typologies of country offices have been developed:

(a) For six country offices covering only the resident representative function, the base capacity is one international professional post, two national officer posts and three support service posts;

(b) For 100 country offices covering both the resident coordinator and resident representative functions, the base capacity is one international professional post, three national officer posts and four support service posts;

(c) For 21 country offices covering the resident coordinator, resident representative, and the humanitarian coordinator functions, the base capacity is two international professional posts, three national officer posts and four support service posts; and

(d) For nine country offices covering only the resident representative function in net contributor countries, the base capacity is only one international professional post. All other posts are funded from other resources.

62. Over the base capacity country offices will be able to augment their capacity depending on the level of resources and the country situation, which would be proportionally funded from both regular and other resources. The total posts for country offices covering both base capacity and augmentation by region are shown in table 5. Augmentation of the base capacity is based on the following criteria:

(a) The volume of regular and other resources managed by the country office;

(b) The complexity of the programme country environment and related development challenges, e.g., crisis situations; and

(c) The configuration of a country office, such as multi-country offices.

Table 5. Building country office and regional capacity: allocation of posts by region, 2004-2005

Region	Base Structure			Augmentation						Total Posts		
	Regular Resources			Regular Resources			Other Resources					
	IP	NO	GS	IP	NO	GS	IP	NO	GS	IP	NO	GS
Africa	56	132	176	76	69	501	5	102	223	137	303	900
Arab States	19	35	47	21	14	102	5	52	119	45	101	268
Asia and the Pacific	27	71	95	46	35	351	20	107	278	93	213	724
Latin America and the Caribbean	25	63	84	21	11	67	8	87	267	54	161	418
Europe and the CIS	29	72	97	16	3	123	12	105	157	57	180	377
Centrally Budgeted	29	41	101				6	14	55	35	55	156
Total	**185**	**414**	**600**	**180**	**132**	**1144**	**56**	**467**	**1099**	**421**	**1013**	**2843**

63. With Poland, Latvia and Lithuania expected to join the European Union in 2004, UNDP will phase out the funding of its operations from its own resources during the 2004-2005 biennium, and will explore new partnerships with these countries.

64. The centrally budgeted resources category covers specific capacity, which is either of a regional or global nature where country offices are the beneficiaries. Summary table 5 shows 171 posts for this category under the 2004-2005 regular support budget. Of these posts 29 are international professionals, 41 are national professionals and 101 are support staff posts. A breakdown of the various sub-components under this category is as follows:

(a) Of the 29 entry-level posts available under the Leadership Development Programme (LEAD) for the 2004-2005 biennium, three are kept under this sub-component for later allocation based on priorities at the country level. All other posts are directly allocated to country offices and units (LEAD is further discussed in paragraph 119);

(b) A provision for 15 international professionals who will be deployed in a flexible manner to strengthen the capacity of offices in crisis prevention and recovery activities as needs arise. This capacity is similar to that in the biennium 2002-2003 and has proven an effective approach to implement the BCPR rapid response mission in the wake of natural disasters or other crisis situations;

(c) The security related costs for UNDP country offices under this sub-component amounting to $4 million includes: two international professionals who have been assigned to the area of security at the country office level; contributions to special insurance premiums for risk-prone locations; and a small allocation for security-related equipment. The UNDP share to the common United Nations Field

Security Officers (FSOs) arrangements amounting to $8.4 million is allocated under each region based on the current locations of the FSOs;

(d) There is a total provision of $14.4 million for the ICT requirements of country offices under the ICT strategy. This includes the funding for the Regional Information Managers network. An additional $1 million is available for enhanced knowledge-based management;

(e) The resources allocated to the PAPP includes two international professional posts, three national professionals, and ten support staff. The position of Director has been reclassified to the D2 level;

(f) Also included is a $0.5 million provision for the planning and assessment of new United Nations houses, similar to the provision in 2002-2003, responding to the reforms of the Secretary-General;

(g) An amount of $1.0 million has been allocated to cover the special needs of country offices concerned with staff-related HIV/AIDs issues and awareness, including the full implementation of the United Nations Personnel Policy on HIV AIDS and the ILO Code of Practice on HIV/AIDS and the World of Work;

(h) Two international professional posts and two support positions within the Special Unit for Technical Cooperation among Developing Countries to support operations in Africa and Asia and the Pacific are included in this category;

(i) The sum of $8.2 million has been provided for after-service health insurance premiums for retirees and staff costs such as ex-gratia payments;

(j) Finally, a limited level of resources (five international posts, 38 national professionals, and 89 support staff) will be used for specific strategic needs that will emerge in the course of the biennium, including the sub-regional resource facility pilots. This approach has been effective during the current biennium, in particular to strengthen temporarily the presence of UNDP in special circumstances, for example, in Afghanistan, Kosovo and Timor-Leste.

Government contributions toward local office costs (GLOC)

65. GLOC performance in 2002 improved over previous years through either direct cash payments, and/or accounting linkage with voluntary contributions and/or in-kind contributions. As shown in table 6, which is broken down by the income category of programme countries, against a total obligation of $40.9 million, total contributions in 2002 amounted to $38.5 million comprising $28.2 million in direct cash payments and the accounting linkage with voluntary contributions, and the remaining $10.3 million representing in-kind contributions. This represented 94 per cent compliance.

66. While the table does provide contributions at the aggregate level, it does not show the shortfalls of countries not meeting their GLOC obligations. Furthermore, of the $12.5 million from low-income countries, $4.0 million relates to prior years outstanding obligations, resulting in only a 69 per cent collection rate in 2002. While the Administrator appreciates the continuing improvement by a number of countries towards meeting their GLOC obligations, he requests that all programme countries that have not done so follow this trend.

67. Increasing compliance has been a result of the fruitful efforts of many UNDP country offices that have been working with host governments to discuss the GLOC issue as part of a comprehensive dialogue on the role and sustainability of the UNDP presence. Host governments in turn have recognized the value of the UNDP country office presence and are increasingly working to meet their respective GLOC obligations, while taking into account their own budgetary limitations. For the 2004-2005 budget, UNDP will continue to maintain the option to withhold part of the budget resources for those countries where significant GLOC deficits occur, with the emphasis on middle-income countries.

Table 6. GLOC income by category of countries, 2002
(in millions of United States dollars)

Income category	GLOC Obligations including in-kind contributions	Income received			Percentage received against obligation
		Cash and accounting linkage	In-kind contributions	Total income received	
Low-income countries	12.4	8.4	4.1	12.5	101%
Middle-income countries	21.0	10.7	5.2	15.9	76%
Net contributor countries	7.5	9.1	1.0	10.1	134%
Total	40.9	28.2	10.3	38.5	94%

68. The 2004-2005 support budget falls in the beginning of the 2004-2007 programming period. An integral part of calculating the GLOC obligations of programme countries are the waivers granted based on their respective gross national product (GNP) levels, which are reviewed in line with the decision on the new programming period. The local costs of a UNDP country office, which is the base for the calculation, is reduced by an established waiver percentage based on the programme country's GNP level, as shown in table 7. The Administrator proposes to maintain the same waiver bands for the 2004-2007 programming period.

Table 7. GLOC waivers by GNP level, 2004-2007

Base 2001 GNP	Waiver percentage	Category of programme country
4 701 and above	0	Net contributor country (NCC)
1 501–4 700	25	Middle-income country (MIC)
901–1 500	50	Middle-income country (MIC)
0–900	75	Low-income country (LIC)

69. It is proposed to amend the current policy for net contributor countries, whereby the regular support budget pays for the resident coordinator/resident representative and deputy resident representative based on other resources programme volume of $10.0 million and $16 million, respectively, over the four-year programming period. The proposal for the period 2004-2007 is for the regular support budget to pay only for the resident representative based on a viable country programme during the programming period, which

should at least be at the current level of $10.0 million in the four-year programming period. All other costs would continue to be borne through government contributions and cost-recovery income. At the end of the period an assessment would be made as to the nature of UNDP operations in each of the countries for the next programming period.

2. Headquarters

70. This component of programme support comprises: management oversight of country offices by the five regional bureaux, development policy, crisis prevention and recovery, and technical cooperation among developing countries. It also includes the Operations Support Group (OSG), discussed in paragraphs 86 to 88. Table 4 shows that 5.5 per cent of total post resources is allocated under this component of the budget. Furthermore, the total appropriation in 2004-2005 allocated for this component of the budget amounts to $75.3 million, as shown in table 3.

71. As discussed earlier in this document, headquarters has undergone major changes and significant staff cuts. The current structure and staffing of the bureaux is considered the base capacity required to provide: strategic direction and management oversight by regional bureaus; policy direction and global support by BDP and BCPR; and support to technical cooperation among developing countries by the Special Unit for TCDC.

Management oversight of country offices

72. Regional bureaux exercise direct management oversight of country offices operations which encompass backstopping capacity; effective management of human resources; advocacy; communication and effective use of information technology; partnership and networking; and resource mobilization. On substantive and management aspects, the regional bureaux work under matrix arrangements with BDP and with BCPR in crisis prevention and recovery activities. This framework for regional management oversight is the same throughout the five bureaux. In operational terms, major undertakings will be the piloting of an expanded regional facility in the southern Africa sub-region, the consolidation of the Bratislava regional centre for RBEC, the launching of the Caribbean regional centre for RBLAC and the feasibility study for a regional centre for the Pacific islands in Asia and the Pacific. The staffing of the bureaux under the regular support budget will remain the same for the biennium.

Development policy

73. Under the substantive leadership of BDP, the transformation of UNDP into a knowledge and practice-driven organization has moved ahead. During 2002-2003, BDP transformed itself into a more demand-driven unit. It has established a capacity to develop policy initiatives around key development priorities as well as furnish quality support to regional bureaux, country offices and through them, programme countries. Drawing on the resources approved under the second global cooperation framework (GCF), 75 specialists – 50 field-based and 25 at headquarters – have been utilized as a source of policy development and programme support.

74. Nine SURFs, servicing all UNDP country offices, are now fully established as the location for BDP field-based staff. Each SURF coordination unit has two professional and two local staff positions. Specialist groups are providing leadership to the rest of UNDP for five of its six priority practice areas – governance, poverty, energy and environment, HIV/AIDS and ICT for development. A new group has been established for promoting capacity development as the cross-cutting framework for UNDP operational policies and programmes, including its contribution to United Nations system harmonization efforts. Practice networks

and other knowledge networks have been established under BDP guidance and several thousand UNDP staff now actively participate in knowledge-sharing and knowledge-building activities.

75. The primary source of funding for the transformation of BDP and the subsequent establishment of SURFs was donor and one-off regular support budget contributions made available under the Business Plans, 2000-2003. Investments made under the Business Plans have successfully demonstrated the capabilities of UNDP to provide knowledge-based advisory services to programme countries. In 2004-2005, the budget will be applied to incorporate this infrastructure into the regular operations of the organization. Without increasing the level of the support budget allocated to BDP, regular resources will be applied to maintaining its core administrative and managerial functions at headquarters and in the SURF coordination units, the basic practice and knowledge network infrastructure, and UNDP operational policies and processes. As shown in summary table 4, six P3 posts are being proposed for the function of practice facilitator on a budget neutral basis.

76. This configuration should be adequate to sustain UNDP knowledge-based advisory services at its current level. Current efforts under the GCF have demonstrated the viability of a new concept, where the knowledge and expertise of UNDP-contracted staff is being tapped and translated into knowledge resources benefiting programme countries. In this regard, UNDP has begun to reduce reliance upon external consultants and project advisers who represent the more conventional use of development cooperation funds. In line with the discussion in paragraphs 44 to 46, this development has potentially significant implications in how UNDP operations are funded between the programme and support budgets.

Crisis prevention and recovery

77. In November 2001, the Emergency Response Division was upgraded to become the Bureau for Crisis Prevention and Recovery in order to address increasing demands for well-coordinated UNDP assistance in the area of crisis prevention and recovery and the need for strengthened capacity within the United Nations system to bridge the gap between humanitarian response and longer-term development assistance. Crisis prevention and recovery was also included as one of the six practices of the organization. Funding for crisis prevention and recovery activities comes from specifically allocated regular resource programme allocation – target for resource assignment from the core (TRAC) 1.1.3 – and from generous donor contributions.

78. BCPR is also responsible for inter-agency liaison with the United Nations Secretariat and the funds and programmes delivering United Nations assistance in crisis countries. The bureau works in collaboration with regional bureaux, BDP, BRSP and most importantly, country offices. UNDP country offices are increasingly requesting technical and financial support from BCPR and at least 65 country offices currently implement crisis prevention or recovery programmes, drawing on the support of the bureau. In response to the increasing demands, BCPR was able to fund its capacity requirements through donor contributions. In addition, the bureau manages a crisis prevention and recovery knowledge network to share experiences, best practices and lessons learned.

79. Starting in 2002, the overall objective of BCPR was to demonstrate accomplishments and outputs on the ground reflecting better-targeted assistance in countries and regions affected by the risk – or the reality – of violent conflict or natural disasters. As an example, UNDP contributed to the political recovery in Afghanistan through the management of the Afghan Interim Authority Fund, which received $73 million from 24 donors and financed civil servant salaries. It was also used to set up special commissions under the Bonn Agreement and the convention of the Emergency *Loya Jirga*, which endorsed the new Interim Government.

80. If not for specific donor funding, UNDP would not have been able to respond over the past several years to increasing demands in emergency situations. Key donors want to see a basic infrastructure funded from the regular support budget, which would provide a basic foundation for BCPR in addition to its current six regular support budget funded posts. The current capacity is hardly sufficient to even manage activities funded from the regular programme resources allocated (TRAC 1.1.3) for crisis prevention and recovery

activities, which is being supported by staff funded from other resources. This situation is not sustainable and makes the delivery of UNDP regular resources dependent on the uncertain contributions of a limited number of donors. Having performed a functional review of overall BCPR capacity requirements (as shown in summary table 4), 15 positions are being proposed as the basic infrastructure requirement for the Bureau funded from the 2004-2005 regular support budget. The positions include management, finance, human resources, inter-agency liaison and regional focal points coordinating support between BCPR and UNDP regional bureaux and country offices.

81. UNDP is committed to making the practice of crisis prevention and recovery a sustainable area of capacity and support. In light of the recognition that violent crisis and natural disasters disproportionately affect poor countries and threaten development gains as well as development opportunities, the aims of UNDP during 2004-2005 will be:

(a) To assist countries in minimizing dependence on humanitarian aid by ensuring a smooth transition to longer-term development assistance;

(b) To assist countries in preventing crisis, and thereby avoiding the relapse into violent conflict after a peace agreement; and

(c) To build capacity to mitigate the risk of natural disasters.

Technical cooperation among developing countries

82. The Special Unit for Technical Cooperation among Developing Countries (TCDC) is the liaison between UNDP and the Group of 77 (G-77). It has worked to raise awareness of the importance of ownership by southern countries in initiating, promoting and building South-South cooperation. In addition, it has helped developing countries to engage in dialogue and reach consensus on development issues of importance to its interests. The Special Unit has also helped to build consensus and keep South-South cooperation on the agenda in international public discourse. Through its journal *Cooperation South*, the Special Unit strengthened its role in knowledge-building and knowledge-sharing. During 2004-2005, the Special Unit will continue to play an important role with special attention paid to the MDGs. In addition, it will work to strengthen United Nations system-wide efforts in mainstreaming support for South-South cooperation in the operational activities for development of the United Nations system. The staffing of the unit under the regular support budget will remain the same as under the 2004-2005 regular support budget and will continue to be supplemented by other resources as well as programme resources for substantive capacities. Specifically earmarked funds under the 'TCDC line' of the programming arrangements will continue to be utilized in support of these activities.

Building headquarters capacity and centrally budgeted resources

83. The 2004-2005 support budget provides a base structure for each headquarters bureau/unit and is being established based on the individual bureau/unit mandate. The objective is to ensure that, across the organization, sustainable funding for headquarters will address all accountability requirements both in operational and programmatic terms. Along these lines, and based on the comprehensive review of headquarters functions referred to in paragraph 10, the proposed structure under the regular support budget will constitute the base capacity for 2004-2005. The objective is to maintain a lean headquarters focused on corporate functions and strategic direction to country offices. Over the base structure, the augmentation criteria would be based on the extent a unit services activities funded from other resources. Table 8 shows the base capacity and augmentation by functional area.

Table 8. Building headquarters capacity: allocation of posts by function, 2004-2005

Function	Base structure Regular resources			Other resources			Total posts		
	IP	NO	GS	IP	NO	GS	IP	NO	GS
Management oversight of country offices	52	0	50	21	0	9	73	0	59
Development policy	23	0	15	30	0	14	53	0	29
Crisis prevention and recovery	13	0	8	9	0	3	22	0	11
TCDC	6	0	5	0	0	0	6	0	5
Strategic direction, corporate oversight and accountability	31	11	21	17	1	6	48	12	27
Resource mobilization, strategic partnership and communication	36	0	29	21	0	9	57	0	38
Management	56	0	86	70	0	92	126	0	178
Development Group Office	4	0	6	2	0	1	6	0	7
United Nations Volunteers	28	60	106	15	0	18	43	60	124
Inter-Agency Procurement Services Office	1	0	1	8	0	27	9	0	28
Centrally budgeted	2	0	1	1	0	0	3	0	1
Total	**252**	**71**	**328**	**194**	**1**	**179**	**446**	**72**	**507**

84. Under the centrally budgeted category, certain elements are not unit specific but cut across all units. These include premises and all associated costs, information technology and other common services, as further discussed in paragraph 103.

C. Management and administration

85. The present section covers the management and administration component of the budget. It comprises: strategic direction, corporate oversight and accountability, resource mobilization, strategic partnerships and communications, management, and a central component for headquarters and country offices. Paragraph 83 and table 8 also highlight the approach to building headquarters capacity under this category. As shown in table 3 and table 4, this component covers 20.7 per cent of total appropriations and 7.9 per cent of post resources.

1. Strategic direction, corporate oversight and accountability

86. These functions are carried out between the Office of the Administrator, the Office of Audit and Performance Review (OAPR), the Operations Support Group (OSG) and the Evaluation Office. The Office of the Administrator, through the Administrator and Associate Administrator, is responsible for providing overall management, as well as the strategic and policy direction to the organization. In addition, the Associate Administrator has direct oversight over UNIFEM, UNCDF and UNV. The position of Director, Office of the Administrator, is being proposed for reclassification to the D2 level based on the current responsibilities and demands of the position.

87. OAPR, OSG and the Evaluation Office constitute the UNDP Oversight Group chaired by the Associate Administrator. The three units exercise corporate oversight of substantive and managerial accountability to provide UNDP senior management with information on how planned results are being achieved. They also take into consideration the cost effectiveness and mandate of UNDP and work to identify successes, areas

requiring improvements or potential difficulties. With the exception of OAPR, as discussed below, there will be no change in the staffing of OSG and the Evaluation Office under the regular support budget.

88. OSG supports regional bureaux in assessing and monitoring programmes and management performance through the strategic results framework and the results-oriented annual report. OSG also provides operational support to the office of the Associate Administrator and leadership in the preparation of the multi-year funding framework.

89. The key areas of work for the Evaluation Office for the coming biennium include: assessing the contribution of UNDP to development results, as agreed in country programmes and SRFs strategic focus; the ability of UNDP to partner with other organizations especially in the frameworks of poverty reduction strategy papers (PRSPs); the ability of country offices to influence development results through advocacy and advice, and ensuring that downstream action is used to leverage policy; and management of knowledge. Specifically earmarked funds under the 'evaluation line' of the programming arrangements will also continue to be utilized for supporting these activities.

90. The major focus for OAPR will remain country office management audits. The unit has gone through an intensive re-profiling exercise with the aim of streamlining and decentralizing its operations. The review also evaluated the current approach of using the activities of limited duration (ALD) contractual approach for a number of auditors; this was found to be an ineffective arrangement for carrying out audits. Instead, to make audits more effective, it was determined that there was a need for staff with well-rounded UNDP experience working to carry out these responsibilities. The overall review has resulted in a restructured OAPR on a budget cost neutral basis. Positions currently under ALD contract are being proposed for conversion to established posts resulting in a net increase of five international posts and four national officers.

2. Resource mobilization, strategic partnerships and communications

91. These functions are assumed by BRSP and the Communications Office. BRSP was established in 2000 to bring strategic focus to UNDP partnership-building activities. For the first time, it brought together central management responsibility for outreach to the Executive Board, Member States, the United Nations system, the international financial institutions, civil society, the private sector and foundations. Overall responsibility for resource mobilization is vested in this Bureau.

92. The importance of building partnerships is critical to any effective development strategy – this was strongly reaffirmed at both the International Conference on Financing for Development, held in Monterrey, Mexico in March 2002 and the World Summit on Sustainable Development, held in Johannesburg, South Africa in August-September 2002. Against the background of an increasing multiplication of funding sources and mechanisms, the capacity to promote and nurture partnerships is gaining importance.

93. To respond to this challenge, BRSP is being strengthened to ensure capacity to build institutional relationships externally as well as to strengthen country office performance in this regard. Three additional professional posts have been provided for under the regular support budget. Two relate to the establishment of an MDG coordination office – charged with spearheading and coordinating institutional efforts. The MDG strategy for UNDP will underpin its institutional outreach and partnership activities over the coming years. Additional resources of $1.3 million have been allocated to strengthen country offices capacity to pursue and build partnerships. Predominantly under other resources, provision is being made to ensure critical mass for outreach activities of UNDP to civil society, the private sector and foundations.

94. For the Communications Office, the link between communications and partnerships/funding is widely accepted as critical to the success of the overall funding strategy for regular and other resources funding decisions. While communications and outreach is built into each of the donor country strategies and their implementation, there will need to be work in raising the profile of the organization in donor capitals based on performance and development results from the field. The Communications Office will further review and

refine its structure, including further alignment of functions and resources with corporate communications priorities.

95. The approach and funding of regional communications coordinators will also need to be assessed. The aim would be to have coordinators handle regionally based international press and communications actors and support particular country offices where peak opportunities or needs emerge. This would include plugging major gaps in the global country office communications structure in countries deemed critical either by virtue of being media hubs or for a particular country – usually in conflict/post-conflict situations. There will also need to be reprioritization of the communications function across country offices and an effort to boost capacity by various means, including training.

3. Management

96. This section addresses the management transformation process in UNDP, which in recent years has been a central feature of the Administrator's Business Plans. This has involved an intense focus on staff, country office and corporate performance where the Bureau of Management has led the development of performance management tools for management and individual results. Underpinning this transformation has been a focus on improving operational efficiency and effectiveness. BOM coordinated the change management processes in country offices and headquarters towards the creation of a new management culture, and will continue to support the transformation process during 2004-2005.

97. Management and operations will be directly affected by the new round of United Nations reform and by the rollout of ERP. Implementation of the current round of United Nations reform and harmonization initiatives is already a major focus of attention through collaboration with United Nations partners. The introduction of ERP and the further implementation of the practice approach at UNDP will provide an opportunity to upgrade management skills and operational services. This will be accomplished by using the ERP work streams as part of a practice approach, while at the same time, containing the costs of providing such services. It should be noted that ERP is being implemented in partnership with other United Nations organizations, which will provide opportunities for deepening collaboration and harmonization within the United Nations system.

98. As UNDP continues to align its management and operational capacities to changing requirements, it is faced with a set of challenges and opportunities both in the medium term (2004-2005) and longer term (2006-2007). There were a number of significant change initiatives in BOM, starting in 2002-2003, designed to improve efficiency and service to country offices. These included the re-profiling of all major BOM units, which led to the merger of the budget and programme resource management functions, as well as significant restructuring of the human resource and information technology functions. IAPSO was also reorganized into a self-financing entity. A number of country and regional-level initiatives and studies took place. BOM coordinated the country office re-profiling exercise as well as a number of studies examining business process re-engineering and the establishment of regional and country office service centres.

99. For 2004-2005, BOM will build on its achievements of the past biennium and continue to adjust to changing business requirements, using ERP as a force for change and cost containment. While the full benefits of ERP will not be seen until the 2006-2007 biennium, its 2004-2005 rollout will be used as an opportunity to pilot new approaches in the provision of management and operational services. The objectives of the continuing change process are to: (a) increase efficiency and cost effectiveness of transactional and administrative services; (b) increase quantity and quality of support services to business units and particularly country offices through leveraging the ERP and introduction of activity-based management; and (d) drive upwards the standard of professionalism in operations throughout the organization.

100. Over the next two years, pilots on service centre approaches will be implemented. These will include the shared service centre approach whereby certain transactional services will be centralized in one global location to benefit from economies of scale and the regional service centre approach where country office

operational support will be clustered at the regional or sub-regional level. The feasibility of re-locating other client advisory services will also be tested. In 2003, these approaches were considered in the re-profiling of the human resources function, which led to a clearer distinction between human resources professional services, which required significant capacity-building, and human resources administration, which was re-located to a lower cost-shared service centre.

101. Over the long term, this approach to management and operational services would result in:

(a) A small core at headquarters giving overall direction, coordination and oversight and providing high-level strategic services;

(b) A number of regional support centres providing advisory and troubleshooting support to country offices;

(c) One or more shared services centres dealing with transactional work; and

(d) More rationalized division of responsibilities between country offices and regional/corporate levels.

102. This change will be implemented gradually over the next two biennia, with a number of pilots initiated and the full opportunities offered by ERP investigated during 2004-2005. In the first phase of the ERP rollout, there will be increased demands on staff and the benefits of streamlined systems will probably only have a significant impact in 2005 and beyond. Thus, a fully reconfigured and streamlined BOM will be effective from 2006-2007. Starting in 2003 and continuing in 2004-2005, a number of actions will need to be taken in preparation and to begin the process of introducing an ERP-enabled structure so critical to containing costs in the long term.

4. Centrally budgeted resources

103. This component reflects costs that need to be managed centrally since they relate to activities that cut across units and lend themselves to centralized implementation. It covers provisions for: (a) information and communications technology discussed in paragraphs 124 to 129; (b) premises and infrastructure costs, furniture and equipment, communications and advocacy; (c) reimbursement to the United Nations for services received; (d) provision for central staff related costs; and (e) UNDP contributions to joint-financed activities of the Chief Executives Board. Volume increases under this component are limited to the proposed increases for strengthening knowledge management discussed in paragraphs 16 and 17, separation related costs discussed in paragraph 118; and for resource mobilization and partnership activities carried out by BRSP at the country level as discussed in paragraph 93.

D. Support to operational activities of the United Nations

104. This component is an integral part of the support budget of UNDP, consistent with the harmonized presentation of the budget. It recognizes that UNDP is at the heart of the United Nations country presence relating to United Nations development activities. This component comprises: (a) United Nations Development Group Office; (b) country offices; (c) United Nations Volunteers; and (d) Inter-Agency Procurement Services Office, which are discussed in the following paragraphs.

1. United Nations Development Group Office

105. UNDGO will continue to concentrate during 2004-2005 on strengthening the resident coordinator system and the strategic coherence of the United Nations development system.

106. UNDGO has been instrumental is supporting the coordination work of the United Nations Development Group (UNDG). It has assisted in enhancing the collective impact of the separate operational entities, by beginning to simplify and harmonize procedures. New planning instruments, such as the common country assessment and the United Nations Development Assistance Framework, have helped shape the analysis of national needs and priorities and translate broad objectives into mission-oriented tasks. These tools have been applied in most developing countries in partnership with governments. As an integral part of the reforms of the Secretary-General, the United Nations Development Group will develop by September 2003, an implementation plan to strengthen the effectiveness of the presence of the United Nations system in developing countries. This plan will include features such as harmonized programme implementation, including joint programming, pooling of resources, common databases and knowledge networks, dedicated support for the resident coordinator and integrated planning, budgeting and resource mobilization tools for countries emerging from conflict.

107. The staffing of UNDGO includes three international professional and six support staff positions funded from the regular support budget. In addition four international professional staff are seconded from other UNDG members, supplemented by other resources for additional positions as required. Specifically earmarked funds under the 'support to resident coordinator line' of the programming arrangements will continue to be utilized for supporting coordination activities. During 2004-2005, the office will continue to be responsible for delivering the policy and guidelines, training relevant country team staff, managing the quality assurance and support system, providing daily support to resident coordinators and coordination units as well as supporting the introduction of the harmonized programme implementation procedures to UNDG member country offices.

2. Country offices

108. As the manager and sponsor of the resident coordinator system, UNDP plays a critical role in leading the United Nations team at the country level towards achieving a coherent and effective development effort by the United Nations system at large. A major function of the resident coordinator is to promote the MDGs by engaging country-level development partners in policy dialogue and bringing together the operational arms of the United Nations system for a strengthened presence. Furthermore, the resident coordinator promotes the streamlining and integration of the operational support functions of the United Nations system at the country level to generate economies of scale in line with reforms instituted by the Secretary-General. This includes the simplification and harmonization of programme implementation modalities among the United Nations funds, programmes and specialized agencies. A phased implementation of the common programming and operational modalities will start in 2004 with five countries and, by 2007, 82 countries will be operating under the new procedures.

109. Pursuant to the reforms of the Secretary-General in the medium to long term, the United Nations system will explore alternative models for its country-level activities while maintaining the distinctive contribution of each United Nations organization. UNDP, UNFPA and UNICEF have already been working on this subject of joint offices. In this connection, UNDP provides global administrative and financial services to the United Nations system at the country level on a cost-recovery basis. The current guidelines are in the process of being updated and issued. Where feasible, the approach to common premises and services is also on the rise.

110. Since the 1994-1995 biennium and pursuant to Executive Board decision 93/35, UNDP has presented its support budget with a separate appropriation line for support to the operational activities of the United Nations. In arriving at the workload and related budget resources, UNDP carried out workload surveys in 1992 and 1997. In its reviews, the ACABQ has recommended that UNDP review the methodology for compiling and analysing data regarding all elements of the organization's support to the operational activities of the United Nations. UNDP reviewed these activities as well as existing methodologies in the course of 1999, as noted in the budget estimates for the biennium 2000-2001 (DP/1999/31). In the context of the 2002-2003 regular support budget, a simplified activity-based costing methodology was utilized to

determine the level of budgetary resources that country offices expected to allocate in carrying out the role of support to United Nations operational activities, resulting in an allocation of 23 per cent of country office costs under the regular support budget.

111. Following feedback from country offices on the increasing workload in carrying out this function, UNDP further reviewed the existing approach in determining the organization's support to the operational activities of the United Nations. Taking into account the various exercises carried out since 1993 and that the methodologies applied have demonstrated their relative weaknesses, it was determined that the most appropriate approach was to designate a specific capacity under the regular support budget in each country office that would be related to supporting this function. Any additional required capacity would come from other funding sources, including the sharing of costs by members of the country team at the local level.

112. As discussed in paragraphs 60 to 62 and as shown in table 5, UNDP is proposing to build its country office capacity by using a base and augmentation approach. Using this approach, one international post, one national officer post and one support staff post will be related to the resident coordinator function in carrying out the responsibilities of UNDP in support of United Nations operational activities in all low and middle-income countries. For net contributor countries, this will be limited to one international post. Taking into account the related post and operating costs of this base capacity, UNDP would attribute 26 per cent of costs at the country office level to support the operational activities of the United Nations. This represents an increase of 3 per cent from the appropriations at the country office level attributed to this component in the 2002-2003 budget. For comparative purposes, the approved 2002-2003 appropriations have been readjusted on the basis of the new distribution in summary tables 1 and 2.

3. United Nations Volunteers

113. The Executive Board, at its annual session in June 2002, reviewed the latest biennial report by the Administrator on the United Nations Volunteers (DP/2002/18). The report provided an overview of the principle characteristics and achievements of UNV during 2000-2001 and identified some of the opportunities and challenges that lay ahead. The opportunities opened up by the International Year of Volunteers (IYV) 2001, anticipated in the report for the previous biennium, have become a reality. Not only has the impact of IYV 2001 on the external environment for volunteer-related work greatly exceeded expectations, it has also reinforced the value attached to the contributions that volunteerism makes to sustainable development in particular. The Executive Board, as reflected in the report on its work during 2002 (E/2002/35, paragraphs 183 to 192) and in its decision 2002/12, recognized the achievements and confirmed broad support for the overall direction and activities of the programme. In the context of the follow up to IYV 2001, the General Assembly adopted a second resolution (57/106) in 2002, in which the continuing role of the UNV programme is recognized, as well as the need to build on the acquired experience of UNV in enhancing the recognition, facilitation, networking and promotion of volunteering. This resolution was co-sponsored by 142 Member States.

114. In his annual report for 2002 (DP/2002/15), the Administrator provided additional information on UNV activities in 2002. That year was the fifth consecutive record-breaking year for the programme in terms of volunteers and volunteer assignments. More than 5 200 United Nations Volunteers volunteers from 160 countries carried out more than 5 500 assignments in 140 different countries. The financial equivalent of all activities in the broader United Nations system context again surpassed $100 million.

115. Regarding the support budget for UNV, table 9 provides an overview of key indicators over time, including estimates and proposals for the current biennium 2002-2003 and for the biennium 2004-2005. Indicators pertain to both regular and other budget resources; to posts financed from these resources; and to the average number of volunteer assignments programmed and managed per year. As shown in the table, the average annual number of volunteer assignments has continued to increase significantly, from 4 401 during 1998-1999 to around 5 500 projected for 2004-2005, representing an increase of 25 per cent. Over the same

period, the total gross support budget of UNV proposed for 2004-2005 and comprising both regular and other resources will increase by approximately 17 per cent.

Table 9. Overview of UNV resources and posts

Source of funding	1998-1999		2000-2001		2002-2003		2004-2005	
	Biennial support budget: financial (millions of United States dollars)							
Regular resources: gross	30.4		29.2		28.7		30.5	
Regular resources income	1.0		2.0		4.2		4.5	
Regular resources: net	29.4		27.2		24.5		26.0	
Other resources	2.3		5.5		5.7		8.0	
Total resources: gross	32.7		34.7		34.4		38.5	
Total resources: net	31.7		32.7		30.2		34.0	
	Biennial support budget: posts a/							
	P	GS	P	GS	P	GS	P	GS
Regular resources	27	50	27	47	27	47	28	46
Other resources	8	12	10	15	15	18	15	18
Total	35	62	37	62	42	65	43	64
	Volunteer assignments							
Total resources: Average number per year	4401		5180		5300		5500	

a/ Excludes 60 UNV Programme Officers and 60 UNV Programme Assistants

4. Inter-Agency Procurement Services Office

116. In line with Executive Board decision 2001/13 on the biennial support budget, IAPSO advisory and procurement services are now provided on a self-financing basis from fees charged, hence avoiding unfair competition with other organizations and drawing down on voluntary contributions to UNDP for such services. Almost exclusively, other resources will fund IAPSO with the regular support budget funding one professional post for the director function and one support staff and associated operating costs. The Director position is also responsible for supporting UNDP liaison activities among the Nordic group of countries.

E. Human resources management

117. The capacity of human resources management at UNDP is critical for the organization to deliver and demonstrate results. During 2002-2003, the human resources function was substantially reconfigured in order to meet the changing capacity requirements of the organization. Integral to providing for this capacity is sound workforce planning and learning. In addition, the security of UNDP personnel also remains a prominent concern.

118. In the context of its workforce planning, UNDP will need to align existing staff with the needs of the new UNDP. This is to be achieved through a mix of attrition, new recruitment as well as early separations. In this connection, the provision for separations under the 2002-2003 budget is proposed to be increased by $3.0 million bringing the 2004-2005 total allocation to $15.3 million, also taking into account cost increases.

119. To increase the opportunities for entry-level candidates, UNDP proposes to establish 10 new entry-level international positions at the P3 level. This increase would bring the number of entry-level posts under

the LEAD recruitment programme for young, internationally recruited staff to 29 for the 2004-2005 biennium. On an annual basis, the programme takes in approximately 20 candidates against a mix of LEAD and other regular posts. Candidates are then reviewed for their eligibility for graduation into the mid-professional level category, the norm being over three years.

120. The organization will also need to institute targeted learning initiatives. The learning strategy for the next biennium is intended to address both operational and substantive strategic needs with the objective of: enhancing the capacity of the organization to respond to its business needs and rapidly adapt to changing circumstances; and increasing the organization's capacity to accelerate learning when the needs arise and to generate innovation at UNDP.

121. As a knowledge-based advisory organization, substantive learning in the UNDP core thematic areas will be enhanced through: the expansion of the Virtual Development Academy (VDA) with a goal of achieving 100 per cent access anywhere in the world; the definition of key knowledge and skill requirements; aligning learning and knowledge networks which will require considerable training and support efforts for the learning management networks and the SURFs; and leadership and management development with the objective of creating a long-term development perspective that targets each distinct leadership and management audience.

122. Key areas of work will be: (a) regional delivery to take advantage of the existing network of country and regionally based experts; (b) development of learning management system and learning content management systems to integrate end-to-end staff assessment, learning planning and performance management systems and provide both headquarters, regions and country offices with direct access to their data for improved action planning; and (c) introducing learning incentives for promoting innovation and creating a link between learning to business results. In this connection, the provision for learning under the 2002-2003 budget is proposed to be increased by $4.0 million bringing the 2004-2005 total allocation to $15.4 million, also taking into account cost increases.

123. UNDP participates in the package of measures introduced by the Secretary-General to strengthen safety and security of all United Nations staff at the country level. In certain cases, UNDP will be required to cover additional staff security needs over and above the global minimum critical staff safety and security structure. The provision for security for 2004-2005 remains the same as 2002-2003 but is adjusted for cost increases related to the United Nations package, resulting in a total allocation of $17.3 million for the biennium. In addition a small provision of $0.5 million is included for headquarters security.

F. Information and communications technology and business process re-engineering

124. UNDP has formulated and vigorously moved to implement a formal ICT strategy, outlined in paragraphs 104 to 109 of document DP/2001/21. The strategy, announced in January 2002, focuses on four areas that will produce concrete benefits for both programme and donor countries. These are: (a) improvements to basic infrastructure, including connectivity; (b) support to corporate resource management; (c) results based management; and (d) knowledge management and advocacy.

125. The ICT strategy is operationally linked to, and budgeted in tandem with, an ongoing business process re-engineering initiative working to bring UNDP business processes in line with best practices found in both private and public sector enterprises. The centrepiece of transformation process is the implementation of ERP that is business-driven and information technology based.

126. In 2002, after an exhaustive evaluation process supported by an external consulting firm, UNDP selected PeopleSoft as providing the best ERP product match for its business needs. Beginning from a 'field first' orientation, the project team selected functional modules that would enable a replacement of legacy software systems both at the country office and headquarters levels, with a first wave roll-out scheduled for 1 January 2004. The business and technical teams are on track for meeting this aggressive implementation date.

127. Involving UNFPA and UNOPS at all stages of the selection and planning process has resulted in these two organizations joining UNDP as full partners in ERP implementation. The Office of the United Nations High Commissioner for Refugees (UNHCR) has also assigned members to the project team and may in time also opt for a full partnership. The ERP project will bring significant benefits to the participant organizations, including for the first time ever the establishment of a 'One UNDP' technical platform to enable all business units of partner organizations to use a single web-enabled information technology platform. This will eliminate the need for operation and maintenance of over 140 local area network-based software application suites for UNDP alone; partner organizations will similarly benefit. Scores of headquarters legacy systems, including the Integrated Management Information System (IMIS), will be phased out, significantly reducing the costs associated with maintenance.

128. Having increased its 2002-2003 biennium investment in ICT to levels that match those of similarly sized United Nations organizations, UNDP has established a momentum that the Administrator proposes to maintain in the forthcoming biennium. This momentum will, as new modules are rolled out (including global payroll), position UNDP to fulfil its responsibilities more effectively to programme countries, donors, and other United Nations organizations with field presences for which UNDP performs the functions of resident coordinator. This is the cornerstone of a change process that is producing real results.

129. The total amount proposed for ICT investment in 2004-2005 under the regular support budget amounts to $37.6 million, shown in table 10. This amount, which takes into account cost increases, provides for requirements of business re-engineering, transitional maintenance of existing systems and investment in completion of the ERP implementation process. Any additional funding requirements would come through an array of measures implemented during the biennium, including: discontinuation of legacy systems and the staffing/financial arrangements that support them; active financial and in-kind contributions from United Nations partner organizations; outsourcing acquisition and operation of ERP infrastructure (as opposed to present acquire-and-operate practices); decentralization of infrastructure and staffing presently located in New York; and targeted resource mobilization from donors. United Nations partners in the ERP project will also contribute their share of costs related to the ERP.

Table 10. Estimated distribution of ICT and business process re-engineering requirements, 2004-2005
(thousands of United States dollars)

Purpose		Staff costs	Contractual services: Systems development and re-engineering	Contractual services: Maintenance services	Hardware/ software supplies	Other	Total
I. RECURRENT MAINTENANCE							
	2002-2003	6 750.4	-	2 080.2	1 296.4	192.3	10 319.3
	2004-2005	8 309.6	-	2 158.8	1 394.3	148.7	12 011.4
II. BUSINESS PROCESS RE-ENGINEERING AND SYSTEMS DEVELOPMENT							
Country offices							
	2002-2003	814.7	11 497.2	-	3 395.3	-	15 707.2
	2004-2005	-	14 365.4	-	1 090.1	-	15 455.5
Headquarters							
	2002-2003	-	5 660.4	-	3 947.4	-	9 607.8
	2004-2005	-	7 208.0	-	2 898.2	-	10 106.2
Subtotal II. Business process re-engineering and systems development							
	2002-2003	814.7	17 157.6	-	7 342.7	-	25 315.0
	2004-2005	-	21 573.4	-	3 988.3	-	25 561.7
III. TOTAL - SUPPORT BUDGET							
	2002-2003	7 565.1	17 157.6	2 080.2	8 639.1	192.3	35 634.3
	2004-2005	8 309.6	21 573.4	2 158.8	5 382.6	148.7	37 573.1

G. Other matters

1. Cost recovery

130. An integral part of the 2004-2005 budget strategy is cost recovery. Cost recovery for UNDP services revolve around three main areas: (a) services to other resource-funded programmes; (b) services to the United Nations system at the country level; and (c) services to certain United Nations entities at the headquarters level.

131. The recovery of costs for services provided by UNDP to other resource-funded programmes and to United Nations organizations has been a corporate priority during the 2002-2003 biennium On cost-recovery for services UNDP provides to other resource-funded programmes, the organization is using a gradual approach to reach a point where both regular resources and other resources contribute proportionately to the set up of the organization. This approach is directly linked to the concept of a base structure for UNDP funded from regular resources, introduced as an integral part of the 2004-2005 budget strategy and discussed in paragraphs 60 to 62 and 83. Furthermore, in developing the cost recovery policy it is extremely crucial to define the types of services being provided. The services are categorized as either: general management services (GMS), which relates to the general oversight and management functions of UNDP; and implementation support services (ISS), which relates to transactional services provided by UNDP (mostly country offices) directly to programmes and projects. The revised cost-recovery policy clarifies the nature of costs incurred under each category and recommends specific recovery modalities.

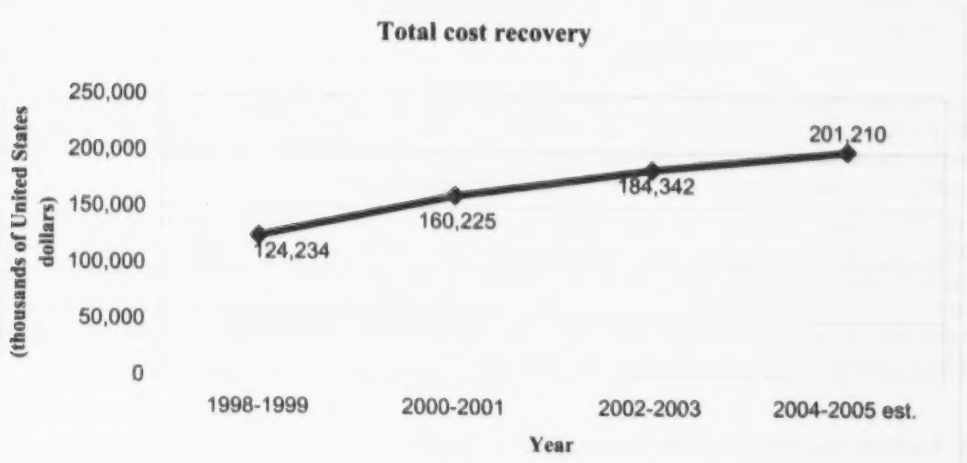
132. Over the last biennium, the recovery rate for GMS has moved from a 3 per cent across-the-board recommended support cost rate to a 3 to 5 per cent range, which is now being increased to a revised range of 5 to 7 per cent on third-party cost sharing and trust funds. As is the case for cost recovery agreements between the United Nations and the European Union, there will be a clear distinction between general

management services and implementation support services. General management services will be recovered through the fee modality (at a rate of 5 to 7 per cent), while implementation support services will be directly charged to the project budget. Owing to the different nature of local government cost sharing, general management services will average at 3 per cent overall.

133. Regarding cost-recovery from United Nations organizations for services that UNDP provides at the programme country-level, income under this category since 1999 has increased from $2 million to $9 million in 2002. During that period, UNDP used a decentralized approach, which has led to inconsistencies in the methodology applied to cost-recovery, different fee structures, and a proliferation of agreements between UNDP and United Nations organizations. As a consequence, and based on discussions with United Nations organizations, UNDP has created a new cost-recovery regime centred around a universal price list for transactional services at the programme country level. The universal price list includes a standardized list of services valid for all UNDP country offices; to keep things simple, country offices are grouped into four cost bands based on local cost.

134. At the headquarters level, UNDP provides services to a number of United Nations organizations, mostly relating to financial services, human resources, and ICT infrastructure and maintenance. Agreements with client United Nations organizations on arrangements governing cost reimbursement for service provision are in the process of being finalized. At the beginning of 2003, UNDP agreed with UNFPA and UNOPS on joint implementation of ERP, the cost of which will be split among the participating organizations based on projected usage and each organization's staff and support budget amounts. In this context, a formal agreement detailing the scope of the partnership and the cost-sharing arrangements is being finalized.

Figure 7. Cost recovery income, 1998-1999 through 2004-2005 (estimated)



2. Estimated income to the budget

135. Contributions received from host governments towards local office costs and the income that UNV derives from providing volunteers to United Nations organizations are covered under the sections programme support–country offices and support to operational activities of the United Nations, respectively.

136. The 2004-2005 support budget will continue to incorporate an offset of support budget resources required to refund staff members for income taxes levied by Member States in respect of income derived from the organization. This offset is based on the rationalization that, as a voluntary organization, UNDP does not have a tax-equalization fund similar to that of the United Nations Secretariat. Amounts reimbursed by UNDP are therefore directly charged to the support budget and thereby to the voluntary contributions as a whole, without any corresponding offset. UNDP continues to believe that the accounting link with voluntary contributions of Member States that collect such income tax allows for a more appropriate presentation of net biennial budget costs; both ACABQ and the Executive Board (in its decision 97/24) have endorsed this approach. This will continue to entail, similar to the accounting link for programme countries under GLOC, a portion of the voluntary contributions of the countries concerned and equivalent to the amount of income taxes reimbursed, to be shown as income to the regular support budget. For 2004-2005, the estimated offset for tax amounts to $14.5 million.

137. In addition, GLOC income from programme countries for 2004-2005 is estimated at $51.2 million. Other income, including UNV-generated income from United Nations organizations utilizing the services of volunteers, is estimated at $4.6 million. The total estimated income for 2004-2005 is $70.3 million, representing a $6 million increase in income compared with 2002-2003 support budget.

III. Proposals for the 2004-2005 biennial support budget: Funds

A. General

138. As stated in paragraph three, the Administrator includes in his proposals the distinct appropriations for the resources of funds that UNDP administers and which the Executive Board approves separately. The funds administered by UNDP, covered under this section, are UNCDF and UNIFEM. These funds receive contributions independently that cover both regular and other resources.

139. The budget estimates for these funds are presented in line with the harmonization of budgets, and follow the same terminology and methodology as the UNDP support budget. For each of the funds, a resource plan is provided that is basically similar to that of UNDP – covering programmes, programme support, and management and administration. Also included are respective staffing and financial tables. In presenting his proposals for the 2004-2005 support budget for the funds, the Administrator has taken into account respective staffing and operating requirements.

B. United Nations Capital Development Fund

140. The biennial budget 2004-2005 has been developed based on the UNCDF vision and resource predictions for the coming years. Committed to its overall goal of poverty reduction, the MDGs and the objectives of the Brussels Programme for Action for the Least Developed Countries are expected to constitute the overall framework for action for UNCDF in the coming years. In support of the attainment of these important objectives, a primary task for UNCDF is the full implementation of the operational policies in its two areas of focus, i.e., local governance and micro-finance.

141. As an organization specialized in two areas of concentration, UNCDF will reinforce its efforts to be a centre of excellence in both local governance and micro-finance. As a small-scale investor, the impact of UNCDF at the country level will emanate from its ability to provide stakeholders with concrete, quality operational results on the ground on a pilot scale that can pave the way for replication on a larger scale as well as impact substantive policy. In this process, UNCDF will continue to intensify its collaboration with UNDP and strengthen its strategic alliances with other partners, including governments, civil society, bilateral donors and multilateral organizations, such as the World Bank, to enhance its impact. UNCDF will also work to ensure that its interventions are aligned with the poverty reduction strategy papers and the UNDAF of programme countries.

142. To carry this out, adequate human and financial resources are required. The biennium budget was prepared considering recent Executive Board decision 2002/26 in which the Board recognized the excellent work performed by UNCDF and invited the international community to help UNCDF to achieve its regular resources target of $30 million annually. Hence, regular resource income is estimated at $60 million for the biennium. The proposal also reflects the positive trend in other resources mobilization, estimated at $20 million for the biennium, taking into account the $12.5 million in multi-year other resources agreements signed in 2002 and the $5.1 million already signed in 2003.

143. On the expenditure side, the programme support budget is aligned with the strategic results that the organization is expected to produce in its two areas of concentration – local governance and micro-finance. It also provides for the necessary critical mass of technical capacity in those two areas. On the management and administration side, the budget allows for necessary funds to ensure key strategic objectives and initiatives identified in the UNCDF Business Plan – restated in sub-goal three of the UNCDF ROAR 2002 (DP/2003/13) – are achieved.

144. In developing the 2004-2005 regular support budget, UNCDF strived for a zero nominal growth. The streamlining of functions and improvement in efficiency allowed post reductions and containment of costs. As a result, the 2004-2005 proposed regular support budget reflects a 16.6 per cent real reduction. This reduction in real terms is, however, offset by inflation/mandatory salary-related increases, resulting in the proposed budget of $14.4 million. Overall, the 2004-2005 administrative budget provides for a total number of 32 posts as compared with 38 in the previous biennium, or a 16 per cent reduction. While two international professional posts were downgraded, one P2 post was reclassified to the P3 level, one general service post was reclassified to the P2 level. Under other resources, UNCDF expects to fund three posts for the Special Unit for Micro-finance and three for the Local Governance Unit.

Table 11. UNCDF resource plan
(millions of United States dollars)

Resources available	2002-2003 Donor resources						2004-2005 Donor resources					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	54.7		4.1		58.8		44.1		4.1		48.2	
Income												
Contributions	56.0		5.0		61.0		80.0		20.0		80.0	
Other b/	10.0		0.0		10.0		3.0		0.0		3.0	
Total	120.7		9.1		129.8		107.1		24.1		131.2	
Use of Resources - Programme and Support Activities												
A. Programmes	63.0	82.2	5.0	100.0	68.0	83.4	50.0	77.6	14.0	100.0	64.0	81.6
B. Programme support												
Headquarters	7.2	9.4	0.0	0.0	7.2	8.8	7.2	11.2	0.0	0.0	7.2	9.2
Total programme support	7.2	9.4	0.0	0.0	7.2	8.8	7.2	11.2	0.0	0.0	7.2	9.2
C. Management and administration	6.4	8.4	0.0	0.0	6.4	7.8	7.2	11.2	0.0	0.0	7.2	9.2
TOTAL	76.6	100.0	5.0	100.0	81.6	100.0	64.4	100.0	14.0	100.0	78.4	100.0
Closing balance	44.1		4.1		48.2		42.7		10.1		52.8	
Biennial support budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	13.6		0.0		13.6		14.4		0.0		14.4	

a/ Includes the amounts of the required operational reserve of $38 million
b/ Includes interest and miscellaneous income

B. United Nations Development Fund for Women

145. The 2004-2005 regular support budget will support implementation of the first two years of the UNIFEM Strategy and Business Plan 2004-2007. UNIFEM is currently undertaking a series of consultations with government, United Nations and NGO partners to finalize the plan and will submit it for consideration to the Executive Board at its first regular session in January 2004. The new plan builds on achievements and challenges highlighted through assessments of UNIFEM experience in implementing its two previous Strategy and Business Plans 1997-1999 (DP/1997/18) and 2000-2003 (DP/2000/15). The Strategy and Business Plan 2004-2007 will focus on strengthened support for achieving women's human rights and human security in the context of the Beijing Platform for Action, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Security Council resolution 1325 and the MDGs.

146. In implementing the plan, UNIFEM will also strengthen its capacity to manage for results. UNIFEM will further align its programme to ensure that gender dimensions of the MDGs and other global commitments to gender equality are supported at the national level. UNIFEM will bring lessons learned and proven practices to partners so that policies and programmes respond to specific concerns of women who live in poverty, those who are affected and infected with HIV/AIDS, those in conflict and post-conflict situations and who are otherwise excluded from participation in the decisions that affect their lives and choices. UNIFEM will support: advocacy to introduce, strengthen, and implement laws and policies in support of gender equality and in line with CEDAW; capacity-building and commitment to strengthen mechanisms of accountability, such as gender analysis of budgets and improved data and statistics; and building strategic partnerships to enhance gender equality initiatives between government, civil society and United Nations organizations, as well as between countries and regions.

147. The income projections for 2004-2005 shown in table 12 anticipate a 10 per cent increase for regular resources over two years. The projected increase in regular resource contributions is conservative and is based on a number of key factors, including:

(a) Income for regular resources increased 9 per cent between 2000-2001 and 2002-2003. For the 2004-2005 biennium, the projection has been increased to 10 per cent in view of a broadening trend of funding support for UNIFEM from donors making significant contributions to regular resources;

(b) While there is pressure on core resources, UNIFEM is responding by advocating for new multi-year agreements with key donors, thereby increasing the ability to plan based on three to four-year commitments; and

(c) At the International Conference on Financing for Development and the Millennium Summit, donors pledged to increase their support to development assistance. With gender equality and women's empowerment identified as a goal in its own right and central to all others, it is hoped that additional resources will be invested in gender equality initiatives.

148. An increase of 16.7 per cent is projected for other resources. Taken with regular resources, this brings a combined increase of approximately 12.2 per cent. The projected 16.7 per cent increase is conservative, given that actual donor contributions for other resources grew by approximately 100 per cent between the biennia 2000-2001 and 2002-2003. The work UNIFEM supports on gender analysis of budgets, on advocating for recognition of the gender dimensions of HIV/AIDs and on promoting greater action on protection and promotion of women's human rights as well as leadership in conflict and post-conflict situations has resulted in significantly larger contributions to cost-sharing and trust fund programmes and projects.

149. The proposed 2004-2005 regular support budget incorporates a 21 per cent increase. This represents a no growth budget with increases related to mandatory ICSC salary scale increases, rate increases in rent, and normal increases and inflation in salaries and other operating costs. Increases in central charges from the United Nations, costs of participating in the UNDP roll out of ERP – including upgrades in ICT infrastructure at UNIFEM – have been absorbed within the reimbursement/contributions line. UNIFEM is not proposing any increase in posts and is confident it will be able to support the first two years of its new Strategy and Business Plan 2004-1007 with existing staff. The proposed gross budget estimate for UNIFEM is presented in table 12.

Table 12. UNIFEM resource plan

(millions of United States dollars)

	2002-2003 Donor resources						2004-2005 Donor resources					
	Regular Resources		Other Resources		Total Resources		Regular Resources		Other Resources		Total Resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	18.5		3.2		21.7		16.6		1.5		18.1	
Income												
Contributions	45.1		25.7		70.8		49.4		30.0		79.4	
Other b/	3.7		2.7		6.4		1.2		2.7		3.9	
Total	67.3		31.6		98.9		67.2		34.2		101.4	
Use of Resources - Programme and Support Activities												
A. Programmes	38.4	75.7	26.9	89.4	65.3	80.8	40.1	72.9	28.0	89.8	68.1	79.0
B. Programme support												
Country Offices			0.7	2.3	0.7	0.9			1.0	3.2	1.0	1.1
Headquarters	6.8	13.4	2.3	7.6	9.1	11.3	8.5	15.5	2.0	6.4	10.5	12.2
Agencies												
Total programme support	6.8	13.4	3.0	10.0	9.8	12.1	8.5	15.5	3.0	9.6	11.5	13.3
C. Management and administration	5.5	10.8	0.2	0.7	5.7	7.1	6.4	11.6	0.2	0.6	6.6	7.7
TOTAL	50.7	100.0	30.1	100.0	80.8	100.0	55.0	100.0	31.2	100.0	86.2	100.0
Closing balance	16.6		1.5		18.1		12.2		3.0		15.2	
Biennial Support Budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	12.3		3.2		15.5		14.9		3.2		18.1	

a/ Includes the amounts of the required operational reserve of 3/ 4

b/ Includes interest and miscellaneous income

c/ Includes administrative and operational support

IV. Draft appropriation decision – UNDP

150. The Executive Board may wish to:

1. *Take note* of the report of the Administrator and the overall objectives and strategy on the support budget estimates and related estimates for the biennium 2004-2005, as contained in document DP/2003/28, and which is an integral part of the second multi-year funding framework, 2004-2007;

2. *Take note* of the report by the Administrator on the revised proportion of cost at the country office level attributed to support of the operational activities of the United Nations system contained in paragraphs 110 to 112 of document DP/2003/28;

3. *Take note* of the funding challenges for UNDP, specifically the distinction between programme and overhead costs, as contained in paragraphs 44 to 46 of document DP/2003/28, and *request* that the Administrator consult with the Executive Board during 2004 to address these challenges;

4. *Endorse* the approach to establish a base structure concept funded by the regular support budget for both headquarters and country offices, with a view of progressively increasing the proportionate share for augmentation over the base structure between regular and other resources as contained in paragraphs 60 to 62 and 83 of document DP/2003/28;

5. *Approve* the proposals by the Administrator on government contributions towards local office costs as contained in paragraphs 68 and 69;

6. *Take note* of the review the structure of UNDP and senior level posts contained in paragraphs 49 to 55, and *endorse* the proposals contained therein in document DP/2003/28;

7. *Take note* of the proposals by the Administrator on human resources management as contained in paragraphs 117 to 123 of document DP/2003/28;

8. *Endorse* the approach for cost recovery as contained in paragraphs 130 to 134 of document DP/2003/28, and *request* that the Administrator ensure that such income fully bears the incremental costs associated with all other resource funded activities;

9. *Approve* gross appropriations in the amount of $645 478 400 for the purposes indicated below, and *resolve* that the income estimates of $70 310 000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $575 168 400; and

10. *Authorize* the Administrator to redeploy resources between appropriations lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed.

2004-2005 biennial support budget
(thousands of United States dollars)

Programme support		
Country office		297 649.5
Headquarters		75 294.3
	Subtotal	372 943.8
Management and administration		133 366.8
Support to the operational activities of the United Nations		
Country offices		104 579.5
United Nations Development Group Office		3 153.2
Inter Agency Procurement Services Office		956.1
United Nations Volunteers		30 479.0
	Subtotal	139 167.8
Total gross appropriations		645 478.4
Less Estimated income		70 310.0
Estimated net appropriations		575 168.4

V. Draft appropriation decision – Funds

151. The Executive Board may wish to:

1. *Take note* of the report of the Administrator on the biennial support budget estimates for the biennium 2004-2005 for the United Nations Capital Development Fund and the United Nations Development Fund for Women as contained in document DP/2003/28;

2. *Approve* gross appropriations for each of the funds as follows:

2004-2005 biennial support budget
(thousands of United States dollars)

	UNCDF	UNIFEM
Total appropriations	14 376.8	14 857.2

Summary tables

Summary table 1. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 2004-2005
(thousands of United States dollars)

	2002-2003 APPROVED APPROPRIATIONS (DP/2001/21)	2002-2003 READJUSTED BASED ON NEW WORKLOAD STUDY (20%)	VOLUME AMOUNT	VOLUME %	COST	2004-2005 ESTIMATES
A PROGRAMME SUPPORT						
1 Country offices						
Africa	89 835.6	86 335.5	5 078.0	5.9	7 772.6	99 186.1
Arab States	27 190.8	26 131.4	1 615.0	6.2	1 751.7	29 498.1
Asia and the Pacific	48 375.8	48 491.0	3 125.7	6.7	4 433.3	54 050.0
Latin America and the Caribbean	37 398.1	35 939.2	1 571.0	4.4	(56.0)	37 454.2
Europe and the Commonwealth of Independent States	31 713.2	30 477.6	1 408.7	4.6	5 148.8	37 035.1
Country offices - Central	39 269.7	37 739.7	(2 659.5)	(7.0)	5 345.8	40 426.0
Subtotal programme support / country offices	273 781.2	263 114.4	10 138.9	3.9	24 396.2	297 649.5
2 Headquarters						
Operations Support Group	2 944.0	2 944.0	20.5	0.7	478.2	3 442.7
Bureau for Crisis Prevention and Recovery	1 986.0	1 986.0	4 705.5	236.9	695.5	7 387.0
Regional Bureau for Africa	11 732.0	11 732.0	(26.2)	(0.2)	1 017.0	12 720.8
Regional Bureau for Arab States	4 237.3	4 237.3	29.5	0.7	547.2	4 814.0
Regional Bureau for Asia and the Pacific	7 272.3	7 272.3	50.5	0.7	1 077.5	8 400.3
Regional Bureau for Latin America and the Caribbean	4 216.6	4 216.6	29.3	0.7	514.3	4 760.2
Regional Bureau for Europe and the Commonwealth of Independent States	4 878.5	4 878.5	(75.9)	(1.6)	525.1	5 327.7
Bureau for Development Policy	13 788.5	13 788.5	(20.4)	(0.1)	1 268.5	15 036.6
Special Unit for TCDC	3 098.5	3 098.5	21.5	0.7	343.2	3 463.2
Headquarters - Central	8 222.4	8 222.4	451.7	5.5	1 287.7	9 961.8
Subtotal programme support / headquarters	82 356.1	82 356.1	5 184.0	6.3	7 754.2	75 264.3
Total programme support	336 137.3	325 470.5	15 322.9	4.8	32 150.4	372 943.8
B MANAGEMENT AND ADMINISTRATION						
Office of Administrator/Associate Administrator	4 707.2	4 707.2	194.9	4.1	601.2	5 503.3
Evaluation Office	2 540.5	2 540.5	17.7	0.7	281.4	2 839.6
Office of Audit and Performance Review - Headquarters	3 423.6	3 423.6	500.3	14.6	402.2	4 326.1
Office of Audit and Performance Review - Country offices	7 801.2	7 801.2	(414.1)	(5.3)	525.6	7 912.7
Bureau for Resources and Strategic Partnerships	15 816.1	15 816.1	1 849.0	11.7	1 386.8	19 051.9
Communications Office of the Administrator	8 811.3	8 811.3	61.3	0.7	798.4	9 671.0
Bureau of Management	38 961.6	38 961.6	52.9	0.1	4 512.2	43 526.7
Headquarters - Central	27 188.1	27 188.1	2 407.8	8.9	2 173.3	31 749.2
Country offices - Central	7 228.1	7 228.1	1 336.0	18.5	222.2	8 786.3
Total management and administration	116 457.7	116 457.7	6 005.8	5.2	10 903.3	133 366.8
C SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Country offices	81 778.8	92 445.5	3 562.4	3.9	8 571.6	104 579.5
United Nations Development Group Office	2 700.8	2 700.9	0.0	0.0	452.3	3 153.2
Inter-Agency Procurement Services Office	1 112.7	1 112.7	(316.6)	(28.5)	160.0	956.1
United Nations Volunteers	28 702.4	28 702.4	0.0	0.0	1 776.8	30 479.0
Total support to operational activities of the United Nations	114 294.7	124 961.5	3 245.8	2.8	10 980.5	139 167.8
GROSS RESOURCES	566 889.7	566 889.7	24 574.5	4.3	54 014.2	645 478.4
ESTIMATED INCOME	(64 327.0)	(64 327.0)	(5 983.0)	9.3		(70 310.0)
NET RESOURCES	502 562.7	502 562.7	18 591.5	3.7	54 014.2	575 168.4

Summary table 2. Proposed gross budget estimates by expenditures category within appropriation line, 2004-2005

(thousands of United States dollars)

APPROPRIATION LINE/ORGANIZATIONAL UNIT	2002-2003 APPROVED APPROPRIATION (DP/2001/21)	2002-2003 READJUSTED BASED ON NEW WORKLOAD STUDY (26%)	VOLUME AMOUNT	VOLUME %	COST	2004-2005 ESTIMATES
A. PROGRAMME SUPPORT						
1. Country offices						
Posts	196 419.3	188 766.6	7 286.9		15 173.9	211 227.4
Other staff cost	2 785.4	2 676.9	(20.2)		342.8	2 999.5
Consultants	460.9	442.9	182.2		51.1	676.2
Travel	5 504.0	5 289.5	23.3		209.0	5 521.8
Operating expenses	53 406.6	51 325.9	2 607.4		5 756.6	59 689.9
Furniture and equipment	7 906.4	7 598.4	59.3		287.3	7 945.0
Reimbursements/contributions	7 298.6	7 014.2	0.0		2 575.5	9 589.7
Subtotal programme support / country offices	273 781.2	263 114.4	10 138.9	3.9	24 396.2	297 649.5
2. Headquarters						
Posts	48 677.8	48 677.8	4 312.2		6 779.4	59 769.4
Other staff costs	574.7	574.7	0.0		21.5	596.2
Consultants	1 137.6	1 137.6	0.0		41.5	1 179.1
Travel	2 458.7	2 458.7	0.0		96.0	2 554.7
Operating expenses	8 128.0	8 128.0	871.8		763.7	9 763.5
Furniture and equipment	1 379.3	1 379.3	0.0		52.1	1 431.4
Reimbursements/contributions	0.0	0.0	0.0		0.0	0.0
Subtotal programme support / headquarters	62 356.1	62 356.1	5 184.0	8.3	7 754.2	75 294.3
B. MANAGEMENT AND ADMINISTRATION						
Posts	65 038.9	65 038.9	4 771.2		7 940.8	77 750.9
Other staff cost	2 488.5	2 488.5	0.0		163.7	2 652.2
Consultants	3 793.9	3 793.9	0.0		262.0	4 055.9
Travel	2 837.8	2 837.8	0.0		144.8	2 982.6
Operating expenses	28 544.3	28 544.3	1 234.6		1 263.4	31 042.3
Furniture and equipment	1 749.1	1 749.1	0.0		65.5	1 814.6
Reimbursements/contributions	12 005.2	12 005.2	0.0		1 063.1	13 068.3
Subtotal management and administration	116 457.7	116 457.7	6 005.8	5.2	10 903.3	133 366.8
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Posts	81 190.9	88 843.6	2 560.3		5 975.7	97 379.6
Other staff costs	1 165.1	1 273.6	(52.4)		210.6	1 431.8
Consultants	482.7	500.7	(99.7)		92.7	493.7
Travel	2 333.6	2 548.0	8.2		236.4	2 792.6
Operating expenses	21 263.0	23 343.8	891.3		3 173.2	27 408.3
Furniture and equipment	2 932.0	3 240.1	13.3		122.3	3 375.7
Reimbursements/contributions	4 927.4	5 211.7	(75.2)		1 149.6	6 286.1
Subtotal support to operational activities of the United Nations	114 294.8	124 961.5	3 245.8	2.6	10 960.5	139 167.8
TOTAL						
Posts	391 326.9	391 326.9	18 930.6	4.8	35 869.8	446 127.3
Other staff cost	7 013.7	7 013.7	(72.6)	(1.0)	738.6	7 679.7
Consultants	5 875.1	5 875.1	82.5	1.4	447.3	6 404.9
Travel	13 134.1	13 134.0	31.5	0.2	686.2	13 851.7
Operating expenses	111 341.9	111 342.0	5 605.1	5.0	10 956.9	127 904.0
Furniture and equipment	13 966.8	13 966.9	72.6	0.5	527.2	14 566.7
Reimbursements/contributions	24 231.2	24 231.1	(75.2)	(0.3)	4 788.2	28 944.1
TOTAL GROSS APPROPRIATIONS	566 889.7	566 889.7	24 574.5	4.3	54 014.2	645 478.4
ESTIMATED INCOME	(64 327.0)	(64 327.0)	(5 983.0)	9.3		(70 310.0)
NET RESOURCES	502 562.7	502 562.7	18 591.5	3.7	54 014.2	575 168.4

Summary table 3. Use of resources: Estimated regional distribution of programmes and programme support, 2004-2005

Resources available	2002-2003 Regular resources	2002-2003 Other resources (Donor Co-financing)	2002-2003 Total Donor Resources	%	2002-2003 Other resources (Government Cost sharing)	%	2002-2003 Total Resources	%	2004-2005 Regular resources	2004-2005 Other resources (Donor Co-financing)	2004-2005 Total Donor Resources	%	2004-2005 Other resources (Government Cost sharing)	%	2004-2005 Total Resources	%
	$	$	$		$		$		$	$	$		$		$	
AFRICA																
A Programmes	510.8	211.1	721.9		16.8		738.7		453.0	248.4	701.4		11.6		713.0	
B Programme support																
Country offices	74.4	10.3	84.7		0.8		85.5		85.6	17.0	102.6		0.3		102.9	
Headquarters	11.7	1.4	13.1		0.1		13.2		11.7	1.3	13.0		-		13.0	
Subtotal programme support	86.1	11.7	97.8		0.9		98.7		97.3	18.3	115.6		0.3		115.9	
Total Africa	596.9	222.8	819.7	25.4	17.7	0.9	837.4	16.4	550.3	266.7	817.0	20.7	11.9	0.6	828.9	14.2
ARAB STATES																
A Programmes	87.9	244.4	332.3		84.1		416.4		75.0	401.3	476.3		90.4		566.7	
B Programme support																
Country offices	16.0	16.1	32.1		5.5		37.6		18.4	18.4	36.8		3.3		40.3	
Headquarters	4.2	2.2	6.4		0.7		7.1		4.4	2.3	6.7		0.4		7.1	
Subtotal programme support	20.2	18.3	38.5		6.2		44.7		22.8	20.7	43.5		3.9		47.4	
Total Arab States	108.1	262.7	370.8	11.4	90.3	4.9	461.1	9.0	97.9	422.0	519.8	13.2	94.3	4.8	614.1	10.4
ASIA AND THE PACIFIC																
A Programmes	323.7	283.3	607.0		38.0		645.0		348.0	496.1	844.1		70.6		914.7	
B Programme support																
Country offices	38.9	13.5	52.4		1.8		54.2		43.3	23.9	69.2		2.0		71.2	
Headquarters	7.4	1.6	9.0		0.2		9.2		7.8	1.5	9.3		0.1		9.4	
Subtotal programme support	46.3	15.1	61.4		2.0		63.4		51.1	25.4	78.4		2.1		80.6	
Total Asia and the Pacific	370.0	298.4	668.4	20.6	40.0	2.1	708.4	13.8	401.1	521.5	922.5	23.4	72.7	3.7	995.3	16.9
LATIN AMERICA AND THE CARIBBEAN																
A Programmes	62.9	245.2	308.1		1 614.3		1 922.4		46.0	335.9	381.9		1 660.7		2 022.6	
B Programme support																
Country offices	23.5	6.7	30.2		44.2		74.4		24.0	9.5	33.5		41.0		74.5	
Headquarters	4.2	0.8	5.0		5.5		10.5		4.4	1.1	5.5		4.9		10.4	
Subtotal programme support	27.7	7.5	35.2		49.7		84.9		28.4	10.6	39.0		45.9		84.9	
Total Latin America and the Caribbean	90.6	252.7	343.3	10.6	1 664.0	88.4	2 007.3	39.2	74.4	346.5	420.9	10.7	1 686.6	84.6	2 107.5	35.7
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES																
A Programmes	96.0	157.6	253.6		54.5		308.1		73.0	193.1	266.1		64.7		332.8	
B Programme support																
Country offices	24.6	9.1	33.7		2.8		35.5		30.4	16.4	46.9		4.0		50.8	
Headquarters	4.9	1.8	6.7		0.6		7.3		4.9	2.3	7.2		0.5		7.7	
Subtotal programme support	29.5	9.9	39.4		3.4		42.8		35.3	18.7	54.0		4.5		58.5	
Total Europe and the Commonwealth of Independent States	125.5	167.5	293.0	9.0	57.9	3.1	350.9	6.9	108.3	211.8	320.1	8.2	69.2	3.5	391.3	6.6
INTERCOUNTRY, GLOBAL AND OTHERS																
A Programmes	94.8	134.9	229.7		-		229.7		126.0	196.2	322.2		-		322.2	
B Programme support																
Headquarters	21.8	32.5	54.3		-		54.3		28.0	38.1	66.1		-		66.1	
Total intercountry, global and others	116.6	167.4	284.0	8.8	-	-	284.0	5.5	154.0	234.3	388.3	9.8	-	-	388.3	6.6
CENTRALLY MANAGED SUPPORT																
Country offices	35.2	2.0	37.2		2.9		40.1		40.0	6.9	46.9		4.4		51.3	
Headquarters	5.7	0.2	5.9		0.3		6.2		9.3	0.6	9.9		0.3		10.2	
Subtotal programme centrally managed support	40.9	2.2	43.1	1.3	3.2	0.2	46.3	0.9	49.3	7.5	56.8	1.4	4.7	0.2	61.5	1.0
TOTAL UNEP																
A Programmes	1 176.1	1 276.5	2 452.6		1 807.1		4 260.3		1 121.0	1 873.0	2 994.0		1 878.0		4 872.0	
B Programme support																
Country offices	212.6	56.7	269.3		58.0		327.3		263.7	92.1	355.8		55.2		391.0	
Headquarters	59.9	40.5	100.4		7.4		107.8		70.5	47.3	117.7		6.2		123.9	
Subtotal programme support	272.5	97.2	369.7		65.4		435.1		334.2	139.3	473.5		61.4		514.9	
Total UNEP Programme and Programme Support	1 448.6	1 373.7	2 822.3	87.1	1 873.1	99.5	4 695.4	91.7	1 455.2	2 012.3	3 467.5	87.4	1 939.4	99.4	5 386.9	91.4
C Management and administration	109.3	6.7	116.0	3.6	9.6	0.5	125.6	2.4	127.0	17.6	144.6	3.6	11.0	0.6	155.6	2.6
D Support to operational activities of the United Nations	147.3	153.0	300.3	9.3	-	-	300.3	5.9	158.0	195.8	353.8	9.0	-	-	353.8	6.0
GRAND TOTAL	1 705.2	1 533.4	3 238.6	100.0	1 882.7	100.0	5 121.3	100.0	1 720.2	2 225.7	3 945.9	100.0	1 950.4	100.0	5 896.3	100.0

Summary table 4. Proposed changes in regular resource post requirements, 2004-2005

Organizational unit	2002-2003	International Professional category and above										
		ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof	GS and other Categ.	Total	2004-2005
2002-2003 approved posts	3322	9	53	130	177	142	55	10	576	533	2213	3322	
2004-2005 VOLUME													
A. Programme support													
1. Country offices													
Africa	1041	-	-	1	1	1	2	-	5	33	(69)	(31)	1010
Arab States	244	-	-	-	1	(1)	1	-	1	8	(13)	(6)	238
Asia and the Pacific	579	-	-	-	1	(3)	2	-	(2)	17	31	48	625
Latin America and the Caribbean	301	-	-	-	1	-	1	-	2	25	(57)	(30)	271
Europe and the Commonwealth of Independent States	351	-	-	1	1	(2)	1	-	1	13	(25)	(11)	340
Country Offices Central	178	-	-	-	1	1	1	-	3	(14)	4	(7)	171
Total (net)	2694	-	-	2	6	(6)	8	-	10	80	(129)	(39)	2655
2. Headquarters													
Operations Support Group	9	-	-	-	-	-	-	-	-	-	-	-	9
Bureau for Crisis Prevention and Recovery	8	-	-	1	3	2	3	1	10	-	5	15	21
Regional Bureau for Africa	37	-	-	(1)	-	1	-	-	-	-	-	-	37
Regional Bureau for Arab States	13	-	-	-	-	-	-	-	-	-	-	-	13
Regional Bureau for Asia and the Pacific	23	-	-	-	-	-	-	-	-	-	-	-	23
Regional Bureau for Latin America and the Caribbean	13	-	-	-	-	-	-	-	-	-	-	-	13
Regional Bureau for Europe and the CIS	18	-	-	(1)	-	1	-	-	-	-	-	-	18
Bureau for Development Policy	40	-	-	-	(3)	-	6	-	3	-	(5)	(2)	38
Special Unit for TCDC	11	-	-	-	-	-	-	-	-	-	-	-	11
Total (net)	168	-	-	(1)	-	4	9	1	13	-	-	13	181
Total Progamme Support	2862	-	-	1	6	(2)	17	1	23	80	(129)	(29)	2836
B. Management and administration													
Office of the Administrator/Associate Administrator	12	-	-	-	-	-	-	-	-	-	1	1	13
Evaluation Office	7	-	-	-	-	-	-	-	-	-	-	-	7
Office of Audit and Performance Review - Headquarters	10	-	-	-	-	1	1	-	2	-	(1)	1	11
Office of Audit and Performance Review - Country Offices	17	-	-	-	(2)	5	-	-	3	4	(1)	6	23
Communications Office of the Administrator	20	-	-	-	-	-	-	-	-	-	-	-	20
Bureau for Resources and Strategic Partnerships	41	-	-	1	-	2	-	-	3	-	1	4	45
BoM/Directorate, Corporate Planning, Budget Resources and Legal	36	-	-	-	-	-	1	-	1	-	(1)	-	36
BoM/Office of Human Resources	32	-	-	-	-	-	-	-	-	-	(2)	(2)	30
BoM/Office of Finance and Administration	49	-	-	-	-	-	-	-	-	-	(2)	(2)	47
BoM/Office of Information Systems and Technology	27	-	-	-	-	-	-	-	-	-	2	2	29
Country offices - Central	3	-	-	-	-	-	-	-	-	-	-	-	3
Total (net)	254	-	-	1	(2)	8	2	-	9	4	(3)	10	264
C. Support to Operational Activities of the United Nations													
Country offices													
United Nations Development Group Office	10	-	-	-	-	-	-	-	-	-	-	-	10
Inter-Agency Procurement Services Office	2	-	-	-	-	-	-	-	-	-	-	-	2
United Nations Volunteers	194	-	-	-	-	-	-	-	-	-	-	-	194
Total (net)	206	-	-	-	-	-	-	-	-	-	-	-	206
Total: Post increases/decreases (net)		-	-	2	4	8	19	1	32	84	(132)	(19)	3306

Summary table 4 (continued)

		International Professional category and above											
Organizational unit	2002-2003	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Nat. Prof	GS and other Categ.	Total	2004-2005
2004-2005 RECLASSIFICATIONS													
A. Programme support													
1. Country offices													
Africa		-	-	1	7	(6)	(2)	(2)	-	-	-	-	-
Arab States		-	1	2	2	-	(5)	-	-	-	-	-	-
Asia and the Pacific		-	-	6	2	(8)	(2)	-	-	-	-	-	-
Latin America and the Caribbean		-	-	8	1	(9)	(1)	-	-	-	-	-	-
Europe and the Commonwealth of Independent States			1	2	2	(5)	-	-	-	-	-	-	-
Country Offices Central		-	1	-	-	(1)	-	-	-	-	-	-	-
Total (net)		0	-	3	19	14	(24)	(3.0)	(2)	-	-	-	-
2. Headquarters													
Operations Support Group		-	-	-	-	-	1	-	1	-	0.1	-	-
Bureau for Crisis Prevention and Recovery		1	-	0.1	-	-	-	-	-	-	-	-	-
Regional Bureau for Africa		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Arab States		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Asia and the Pacific		-	-	1	0.1	-	1	-	1	-	0.1	-	-
Regional Bureau for Latin America and the Caribbean		-	-	-	1	-	0.1	-	-	-	-	-	-
Regional Bureau for Europe and the CIS		-	-	-	-	-	-	-	-	-	-	-	-
Bureau for Development Policy		-	-	1	0.1	0.1	2	-	-	-	-	-	-
Special Unit for TCDC		-	-	-	-	-	-	-	-	-	-	-	-
Total (net)		1	-	1	0.1	0.1	3	-	2	-	0.1	-	-
Total Programme Support	0	1	3	20	12	(25)	(7)	(2)	2	-	0.1	-	-
B. Management and administration													
Office of the Administrator/Associate Administrator		-	1	0.1	-	-	-	-	-	0	-	-	-
Evaluation Office		-	-	-	-	-	-	-	-	-	-	-	-
Office of Audit and Performance Review - Headquarters		-	-	-	-	-	-	-	-	-	-	-	-
Office of Audit and Performance Review - Country Offices		-	-	-	-	-	-	-	-	-	-	-	-
Communications Office of the Administrator		-	-	-	-	-	1	-	1	-	0.1	-	-
Bureau for Resources and Strategic Partnerships		-	-	2	0.1	0.1	-	-	-	-	-	-	-
Bureau for Management, Corporate Planning, Budget, Resources and Legal		-	-	-	1	0.1	-	-	-	-	-	-	-
Bureau for Human Resources		-	-	-	-	-	-	-	-	-	-	-	-
Bureau for Finance and Administration		-	-	-	1	0.1	1	-	1	-	0.1	-	-
Bureau for Information Systems and Technology		-	-	-	-	-	4	-	4	-	(4)	-	-
Country offices - Central		-	-	-	-	-	-	-	-	-	-	-	-
Total (net)	0	-	1	1	1	0.1	6	-	6	-	(3)	-	-
C. Support to Operational Activities of the United Nations													
Country offices		-	-	-	-	1	0.1	-	-	-	-	-	-
United Nations Development Group Office		-	-	-	-	-	-	-	-	-	-	-	-
Inter-Agency Procurement Services Office		-	-	-	-	-	-	-	-	-	-	-	-
United Nations Volunteers		-	-	1	0.1	-	1	-	2	-	0.1	-	-
Total (net)	0	-	-	1	0.1	1	-	-	2	-	0.1	-	-
Total: Post reclassifications		1	4	22	12	(27)	0.1	(2)	9	-	(3)	-	
Total changes (net)		1	4	24	16	(21)	18	0.1	41	84	0.41)	67)	
2004-2005 PROPOSED CHANGES		19	57	154	193	121	73	9	617	617	2,073	3,306	

Summary table 5. Estimated distribution of posts by source of funds and organizational unit, 2004-2005

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof	GS and Other Categ.	Grand Total
A. Programme support											
1. Country offices											
Africa											
2002-2003											
Regular resources	-	11	30	41	31	12	2	127	188	746	1041
Other resources related to programme	-	-	1	-	2	2	1	6	101	222	329
Total	-	11	31	41	33	14	3	133	289	968	1370
2004-2005											
Regular resources	-	11	32	49	28	12	-	132	201	677	1010
Other resources related to programme	-	-	1	-	2	2	-	5	102	223	330
Total	-	11	33	49	30	14	-	137	303	900	1340
Arab States											
2002-2003											
Regular resources	-	4	10	12	7	6	-	39	43	162	244
Other resources related to programme	-	-	-	-	1	3	-	4	49	113	166
Total	-	4	10	12	8	9	-	43	92	275	410
2004-2005											
Regular resources	-	5	12	15	6	2	-	40	49	149	238
Other resources related to programme	-	-	-	-	2	3	-	5	52	119	176
Total	-	5	12	15	8	5	-	45	101	268	414
Asia and the Pacific											
2002-2003											
Regular resources	-	10	12	24	20	9	-	75	89	415	579
Other resources related to programme	-	-	-	1	3	3	-	7	104	242	353
Total	-	10	12	25	23	12	-	82	193	657	932
2004-2005											
Regular resources	-	10	18	27	9	9	-	73	106	446	625
Other resources related to programme	-	-	-	1	17	2	-	20	107	278	405
Total	-	10	18	28	26	11	-	93	213	724	1030
Latin America and the Caribbean											
2002-2003											
Regular resources	-	3	15	15	8	3	-	44	49	208	301
Other resources related to programme	-	-	1	4	2	1	-	8	87	267	362
Total	-	3	16	19	10	4	-	52	136	475	663
2004-2005											
Regular resources	-	3	23	17	-	3	-	46	74	151	271
Other resources related to programme	-	-	-	5	2	1	-	8	87	267	362
Total	-	3	23	22	2	4	-	54	161	418	633
Europe and the Commonwealth of Independent States											
2002-2003											
Regular resources	-	1	15	10	16	2	-	44	62	245	351
Other resources related to programme	-	-	-	4	1	2	-	7	41	105	153
Total	-	1	15	14	17	4	-	51	103	350	504
2004-2005											
Regular resources	-	2	18	13	9	3	-	45	75	220	340
Other resources related to programme	-	-	-	4	6	2	-	12	105	157	274
Total	-	2	18	17	15	5	-	57	180	377	614
Country offices - Central											
2002-2003											
Regular resources	-	-	3	2	16	5	-	26	55	97	178
Other resources related to programme	-	-	-	4	1	1	-	6	14	55	75
Total	-	-	3	6	17	6	-	32	69	152	253
2004-2005											
Regular resources	-	1	3	3	16	6	-	29	41	101	171
Other resources related to programme	-	-	-	4	1	1	-	6	14	55	75
Total	-	1	3	7	17	7	-	35	55	156	246
Total A.1 Programme support - Country offices											
2002-2003											
Regular resources	-	29	85	104	98	37	2	355	488	1873	2804
Other resources related to programme	-	-	2	13	10	12	1	38	396	1004	1438
Total - A.1	-	29	87	117	108	49	3	393	882	2877	4132
2004-2005											
Regular resources	-	32	106	124	58	35	-	365	548	1744	2655
Other resources related to programme	-	-	1	14	30	11	-	56	467	1099	1622
Total - A.1	-	32	107	138	88	46	-	421	1,013	2843	4277

Summary table 5. (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat. Prof.	GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
2. Headquarters											
Operations Support Group											
2002-2003											
Regular resources	-	1	-	3	1	-	-	5	-	4	9
Other resources related to programme	-	-	1	-	1	-	-	2	-	-	2
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	2	-	-	7	-	4	11
2004-2005											
Regular resources	-	1	-	3	1	1	-	6	-	3	9
Other resources related to programme	-	-	1	-	1	-	-	2	-	-	2
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	2	1	-	8	-	3	11
Bureau for Crisis Prevention and Recovery											
2002-2003											
Regular resources	-	1	2	-	-	-	-	3	-	3	6
Other resources related to programme	1	-	1	2	-	5	2	11	-	3	14
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	1	1
Total	1	1	3	2	-	5	2	14	-	7	21
2004-2005											
Regular resources	1	1	2	3	2	3	1	13	-	8	21
Other resources related to programme	-	-	1	2	-	4	2	9	-	2	11
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	1	1
Total	1	1	3	5	2	7	3	22	-	11	33
Regional Bureau for Africa											
2002-2003											
Regular resources	1	2	5	8	2	-	-	18	-	19	37
Other resources related to programme	-	-	-	-	2	-	-	2	-	-	2
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	5	8	4	-	-	20	-	19	39
2004-2005											
Regular resources	1	2	4	8	3	-	-	18	-	19	37
Other resources related to programme	-	-	-	-	2	-	-	2	-	-	2
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	4	8	5	-	-	20	-	19	39
Regional Bureau for Arab States											
2002-2003											
Regular resources	1	1	2	2	1	-	-	7	-	6	13
Other resources related to programme	-	-	1	4	-	1	-	6	-	1	7
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	6	1	1	-	13	-	7	20
2004-2005											
Regular resources	1	1	2	2	1	-	-	7	-	6	13
Other resources related to programme	-	-	1	4	-	1	-	6	-	2	8
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	6	1	1	-	13	-	8	21
Regional Bureau for Asia and the Pacific											
2002-2003											
Regular resources	1	1	2	4	3	1	-	12	-	11	23
Other resources related to programme	-	1	-	-	1	1	-	3	-	1	4
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	2	4	4	2	-	15	-	12	27
2004-2005											
Regular resources	1	1	3	3	3	2	-	13	-	10	23
Other resources related to programme	-	-	-	-	-	1	-	1	-	1	2
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	3	3	3	-	14	-	11	25
Regional Bureau for Latin America and the Caribbean											
2002-2003											
Regular resources	1	1	2	-	1	1	-	6	-	7	13
Other resources related to programme	-	-	1	4	3	-	-	8	-	4	12
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	4	4	1	-	14	-	11	25
2004-2005											
Regular resources	1	1	2	1	1	-	-	6	-	7	13
Other resources related to programme	-	-	1	4	3	-	-	8	-	3	11
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	5	4	-	-	14	-	10	24

Summary table 5. (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat. Prof.	GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Regional Bureau for Europe and the Commonwealth of Independent States											
2002-2003											
Regular resources	1	1	2	2	2	-	-	8	-	8	16
Other resources related to programme	-	-	-	2	2	-	-	4	-	3	7
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	4	4	-	-	12	-	11	23
2004-2005											
Regular resources	1	1	1	2	3	-	-	8	-	8	16
Other resources related to programme	-	-	-	2	2	-	-	4	-	3	7
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	1	4	5	-	-	12	-	11	23
Bureau for Development Policy											
2002-2003											
Regular resources	1	4	5	5	4	1	-	20	-	20	40
Other resources related to programme	-	1	6	14	5	3	-	29	-	13	42
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	1	2
Total	1	5	11	19	9	5	-	50	-	34	84
2004-2005											
Regular resources	1	4	6	-	3	9	-	23	-	15	38
Other resources related to programme	-	1	6	14	5	3	-	29	-	13	42
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	1	2
Total	1	5	12	14	8	13	-	53	-	29	82
Special Unit for TCDC											
2002-2003											
Regular resources	-	1	1	1	2	1	-	6	-	5	11
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	1	2	1	-	6	-	5	11
2004-2005											
Regular resources	-	1	1	1	2	1	-	6	-	5	11
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	1	2	1	-	6	-	5	11
Total: A.2 Programme support - Headquarters											
2002-2003											
Regular resources	6	13	21	25	16	4	-	85	-	83	168
Other resources related to programme	1	2	10	26	14	10	2	65	-	25	90
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	2	3
Total - A.2	7	15	31	51	30	15	2	151	-	110	261
2004-2005											
Regular resources	7	13	21	23	19	16	1	100	-	81	181
Other resources related to programme	-	1	10	26	13	9	2	61	-	24	85
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	2	3
Total - A.2	7	14	31	49	32	26	3	162	-	107	269
Total: A. Programme support											
2002-2003											
Regular resources	6	42	106	129	114	41	2	440	466	1956	2862
Other resources related to programme	1	2	12	39	24	22	3	103	396	1029	1528
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	2	3
Total - A	7	44	118	168	138	64	5	544	862	2987	4393
2004-2005											
Regular resources	7	45	127	147	87	51	1	465	548	1825	2838
Other resources related to programme	-	1	11	40	43	20	2	117	467	1123	1707
Other resources related to reimbursement	-	-	-	-	-	1	-	1	-	2	3
Total - A	7	46	138	187	130	72	3	583	1,013	2950	4548
B. Management and Administration											
Office of the Administrator/Associate Administrator											
2002-2003											
Regular resources	2	-	2	1	-	-	-	5	-	7	12
Other resources related to programme	-	-	-	-	1	1	-	2	-	3	5
Other resources related to reimbursement	-	-	-	-	1	-	-	1	-	-	1
Total	2	-	2	1	2	1	-	8	-	10	18
2004-2005											
Regular resources	2	1	1	1	-	-	-	5	-	8	13
Other resources related to programme	-	-	-	1	1	1	-	3	-	3	6
Other resources related to reimbursement	-	-	-	-	1	-	-	1	-	-	1
Total	2	1	1	2	2	1	-	9	-	11	20

Summary table 5. (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat. Prof.	GS and Other Categ	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Evaluation Office											
2002-2003											
Regular resources	-	1	1	2	-	-	-	4	-	3	7
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	2	-	-	-	4	-	3	7
2004-2005											
Regular resources	-	1	1	2	-	-	-	4	-	3	7
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	2	-	-	-	4	-	3	7
Office of Audit and Performance Review - Headquarters											
2002-2003											
Regular resources	-	1	-	1	3	-	-	5	-	5	10
Other resources related to programme	-	-	-	-	2	1	-	3	1	1	5
Other resources related to reimbursement	-	-	-	3	8	-	-	11	-	3	14
Total	-	1	-	4	13	1	-	19	1	9	29
2004-2005											
Regular resources	-	1	-	1	4	1	-	7	-	4	11
Other resources related to programme	-	-	-	-	3	1	-	4	1	1	6
Other resources related to reimbursement	-	-	-	2	5	-	-	7	-	2	9
Total	-	1	-	3	12	2	-	18	1	7	26
Office of Audit and Performance Review - Country offices											
2002-2003											
Regular resources	-	-	-	5	1	-	-	6	7	4	17
Other resources related to programme								-	-		-
Other resources related to reimbursement								-			-
Total	-	-	-	5	1	-	-	6	7	4	17
2004-2005											
Regular resources	-	-	-	3	6	-	-	9	11	3	23
Other resources related to programme								-	-		-
Other resources related to reimbursement								-			-
Total	-	-	-	3	6	-	-	9	11	3	23
Communications Office											
2002-2003											
Regular resources	-	1	-	5	3	1	2	12	-	8	20
Other resources related to programme						-		-			-
Other resources related to reimbursement								-			-
Total	-	1	-	5	3	1	2	12	-	8	20
2004-2005											
Regular resources	-	1	-	5	3	2	2	13	-	7	20
Other resources related to programme						-		-			-
Other resources related to reimbursement								-			-
Total	-	1	-	5	3	2	2	13	-	7	20
Bureau for Resources and Strategic Partnership											
2002-2003											
Regular resources	-	2	5	10	2	-	1	20	-	21	41
Other resources related to programme	-	-	4	4	6	1	1	18	-	3	21
Other resources related to reimbursement	-	-	-	1	1	-	1	3	-	4	7
Total	-	2	9	15	11	1	3	41	-	28	69
2004-2005											
Regular resources	-	2	8	9	3	-	1	23	-	22	45
Other resources related to programme	-	1	2	6	6	2	1	18	-	5	23
Other resources related to reimbursement	-	-	-	1	1	-	1	3	-	4	7
Total	-	3	10	16	10	2	3	44	-	31	75
Bureau of Management											
2002-2003											
Regular resources	1	4	12	14	9	6	4	50	-	94	144
Other resources related to programme	-	-	-	6	5	13	1	27	-	27	54
Other resources related to reimbursement	-	-	1	11	14	13	3	42	-	59	101
Total	1	4	13	33	28	32	8	119	-	180	299
2004-2005											
Regular resources	1	4	12	16	7	12	4	56	-	86	142
Other resources related to programme	-	-	1	9	9	11	3	33	-	36	69
Other resources related to reimbursement	-	-	-	6	14	13	4	37	-	56	93
Total	1	4	13	31	30	36	11	126	-	178	304

Summary table 5. (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof	GS and Other Categ	Grand Total
Country offices - Central											
2002-2003											
Regular resources	-	-	-	1	1	-	-	2	-	1	3
Other resources related to programme	-	-	1	-	-	-	-	1	-	-	1
Other resources related to reimbursement								-			-
Total	-	-	1	1	1	-	-	3	-	1	4
2004-2005											
Regular resources	-	-	-	1	1	-	-	2	-	1	3
Other resources related to programme	-	-	1	-	-	-	-	1	-	-	1
Other resources related to reimbursement								-			-
Total	-	-	1	1	1	-	-	3	-	1	4
Total B. Management and Administration											
2002-2003											
Regular resources	3	9	20	39	19	7	7	104	7	143	254
Other resources related to programme	-	-	5	12	16	16	2	51	1	34	86
Other resources related to reimbursement	-	-	1	15	24	13	4	57	-	66	123
Total - B	3	9	26	66	59	36	13	212	8	243	463
2004-2005											
Regular resources	3	10	22	38	24	15	7	119	11	134	264
Other resources related to programme	-	1	4	16	19	15	4	59	1	45	105
Other resources related to reimbursement	-	-	-	9	21	13	5	48	-	62	110
Total - B	3	11	26	63	64	43	16	226	12	241	479
Support to operational activities of the United Nations											
United Nations Development Group Office											
2002-2003											
Regular resources	-	1	1	1	-	1	-	4	-	6	10
Other resources related to programme	-	-	-	-	1	1	-	2	-	1	3
Other resources related to reimbursement								-			-
Total	-	1	1	1	1	2	-	6	-	7	13
2004-2005											
Regular resources	-	1	1	1	1	-	-	4	-	6	10
Other resources related to programme	-	-	-	-	1	1	-	2	-	1	3
Other resources related to reimbursement								-			-
Total	-	1	1	1	2	1	-	6	-	7	13
Inter-Agency Procurement Services Office											
2002-2003											
Regular resources	-	-	1	-	-	-	-	1	-	1	2
Other resources related to programme	-	-	1	2	1	-	4	8	-	27	35
Other resources related to reimbursement								-			-
Total	-	-	2	2	1	-	4	9	-	28	37
2004-2005											
Regular resources	-	-	1	-	-	-	-	1	-	1	2
Other resources related to programme	-	-	1	2	1	-	4	8	-	27	35
Other resources related to reimbursement								-			-
Total	-	-	2	2	1	-	4	9	-	28	37
United Nations Volunteers											
2002-2003											
Regular resources	-	1	2	8	9	6	1	27	60	107	194
Other resources related to programme	-	-	1	-	4	8	2	15	-	18	33
Other resources related to reimbursement								-			-
Total	-	1	3	8	13	14	3	42	60	125	227
2004-2005											
Regular resources	-	1	3	7	9	7	1	28	60	106	194
Other res. rel. to Prog.	-	-	1	1	3	8	2	15	-	18	33
Other res. rel. to reimb.								-			-
Total	-	1	4	8	12	15	3	43	60	124	227
Total C. Support to operational activities of the United Nations											
2002-2003											
Regular resources	-	2	4	9	9	7	1	33	60	114	208
Other resources related to programme	-	-	2	2	6	9	6	25	-	46	71
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total - C	-	2	6	11	15	16	7	57	60	160	277
2004-2005											
Regular resources	-	2	5	8	10	7	1	33	60	113	208
Other resources related to programme	-	-	2	3	5	9	6	25	-	46	71
Other resources related to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total - C	-	2	7	11	15	16	7	58	60	159	277

Summary table 5. (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
Grand Total											
2002-2003											
Regular resources	9	53	130	177	142	55	10	576	533	2213	3322
Other resources related to programme	1	2	19	53	46	47	11	179	397	1,109	1685
Other resources related to reimbursement	-	-	1	15	24	14	4	58	-	68	126
TOTAL	10	55	150	245	212	116	25	813	930	3390	5133
2004-2005											
Regular resources	10	57	154	193	121	73	9	617	617	2072	3306
Other resources related to programme	-	2	17	59	67	44	12	201	468	1214	1883
Other resources related to reimbursement	-	-	-	9	21	14	5	49	-	64	113
TOTAL	10	59	171	261	209	131	26	867	1085	3350	5302

Summary table 6(a). Other resource estimates by source of funds and organizational unit, 2004-2005
(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	2002-2003 ESTIMATES	INCREASE/ DECREASE	2004-2005 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Africa	11 134.6	6 157.9	17 292.5
Arab States	21 639.7	230.6	21 870.3
Asia and the Pacific	15 299.2	10 624.4	25 923.6
Latin America and the Caribbean	50 888.6	(364.8)	50 523.8
Europe and the Commonwealth of Independent States	10 917.8	9 459.3	20 377.1
Country offices - Central	4 936.6	6 401.6	11 338.2
Subtotal programme support / country offices	114 816.5	32 509.0	147 325.5
2. Headquarters			
Bureau for Crisis Prevention and Recovery	1 064.4	2 176.3	3 240.7
Regional Bureau for Africa	1 561.8	(262.0)	1 299.8
Regional Bureau for Arab States	2 910.2	(187.6)	2 722.6
Regional Bureau for Asia and the Pacific	1 837.8	(222.5)	1 615.3
Regional Bureau for Latin America and the Caribbean	6 391.8	(400.9)	5 990.9
Regional Bureau for Europe and the Commonwealth of Independent States	2 394.7	382.5	2 777.2
Bureau for Development Policy	31 434.1	3 390.7	34 824.8
Headquarters - Central	442.9	441.2	884.1
Subtotal programme support / headquarters	48 037.7	5 317.7	53 355.4
Subtotal programme support	162 854.2	37 826.7	200 680.9
B. MANAGEMENT AND ADMINISTRATION			
Office of Administrator/Associate Administrator	983.5	419.1	1 402.6
Office of Audit and Performance Review - Headquarters	990.5	534.7	1 525.2
Office of Audit and Performance Review - Country Offices	110.4	(110.4)	0.0
Bureau for Resources and Strategic Partnerships	4 096.3	4 490.4	8 586.7
Communications Office of the Administrator	310.5	(310.5)	0.0
Bureau of Management	9 252.1	7 315.2	16 567.3
Headquarters - Central	537.7	15.3	553.0
Subtotal management and administration	16 281.0	12 353.8	28 634.8
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Country offices	298.5	(298.5)	0.0
United Nations Development Group Office	35.7	748.2	783.9
Inter-Agency Procurement Services Office	10 049.3	1 951.7	12 001.0
United Nations Volunteers	5 730.4	2 234.8	7 965.2
Subtotal support to operational activities of the United Nations	16 113.9	4 636.2	20 750.1
Subtotal: I - Other resources relating to programmes	195 249.1	54 816.7	250 065.8
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Bureau for Development Policy	283.5	124.4	407.9
Bureau for Crisis Prevention and Recovery	119.8	15.5	135.3
Office of Administrator/Associate Administrator	262.8	38.4	301.2
Office of Audit and Performance Review	3 493.4	(985.2)	2 508.2
Bureau for Resources and Strategic Partnerships	1 272.4	284.6	1 557.0
Bureau of Management	16 509.6	253.8	18 763.4
Headquarters - Central	2 130.9	80.7	2 211.6
Subtotal: II - Other resources relating to reimbursements	26 072.4	(187.8)	25 884.6
Grand total	221 321.5	54 628.9	275 950.4

Summary table 6(b). Other resources estimates by resource of funds and expenditures category, 2004-2005
(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2002 - 2003 ESTIMATES	INCREASE/ DECREASE	2004 - 2005 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Posts	64 290.2	28 385.4	92 675.6
Other staff cost	5 489.8	348.4	5 838.2
Consultants	5 315.4	151.0	5 466.4
Travel	3 248.9	(20.7)	3 228.2
Operating expenses	25 771.3	3 260.9	29 032.2
Furniture and equipment	5 916.0	221.5	6 137.5
Reimbursements/contributions	4 717.5	162.5	4 880.0
Development support services	67.4	0.0	67.4
Subtotal programme support / country offices	114 816.5	32 509.0	147 325.5
2. Headquarters			
Posts	26 583.3	4 464.5	31 047.8
Other staff costs	763.1	28.6	791.7
Consultants	7 300.7	275.5	7 576.2
Travel	5 358.2	203.0	5 561.2
Operating expenses	3 398.6	145.6	3 544.2
Furniture and equipment	283.4	10.7	294.1
Reimbursements/contributions	4 350.4	189.8	4 540.2
Subtotal programme support / headquarters	48 037.7	5 317.7	53 355.4
B. MANAGEMENT AND ADMINISTRATION			
Posts	12 923.6	12 145.6	25 069.2
Other staff cost	1 314.9	(256.6)	1 058.3
Consultants	607.8	81.7	689.5
Travel	105.0	6.0	111.0
Operating expenses	1 242.3	373.8	1 616.1
Furniture and equipment	87.4	3.3	90.7
Reimbursements/contributions	0.0	0.0	0.0
Subtotal management and administration	16 281.0	12 353.8	28 634.8
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Posts	7 455.4	4 862.9	12 318.3
Other staff cost	146.5	52.0	198.5
Consultants	2 145.8	753.8	2 899.6
Travel	632.6	169.2	801.8
Operating expenses	5 136.4	(1 233.0)	3 903.4
Furniture and equipment	276.1	10.5	286.6
Reimbursements/contributions	321.1	20.8	341.9
Subtotal support to operational activities of the United Nations	16 113.9	4 636.2	20 750.1
Subtotal: I - Other resources relating to programmes	195 249.1	54 816.7	250 065.8
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Posts	23 143.9	(226.6)	22 917.3
Other staff cost	624.3	22.5	646.8
Consultants	80.2	1.6	81.8
Travel	7.8	0.3	8.1
Operating expenses	2 183.3	37.2	2 220.5
Furniture and equipment	22.8	(22.8)	0.0
Reimbursements/contributions	10.1	0.0	10.1
Subtotal: II - Other resources relating to reimbursements	26 072.4	(187.8)	25 884.6
Grand total	221 321.5	54 628.9	275 950.4

Summary Table 7(a). UNCDF proposed gross budget estimates by expenditure category within budget component, 2004-2005

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2002 - 2003 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2004 - 2005 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	5 184.5	(946.9)	(18.3)	1 470.5	5 708.1
Other staff cost	109.2	4.2	3.9	4.3	117.7
Consultants	250.4	(178.3)	(71.2)	1.6	73.7
Travel	297.1	(159.7)	(53.7)	4.2	141.6
Operating expenses	960.6	(58.0)	(6.0)	33.8	936.4
Furniture and equipment	30.2	7.3	24.2	1.5	39.0
Reimbursements/contributions	383.3	(185.7)	(48.4)	6.3	203.9
Subtotal	7 215.3	(1 517.1)	(21.0)	1 522.2	7 220.4
B. MANAGEMENT AND ADMINISTRATION					
Posts	4 063.5	(696.1)	(17.1)	1 381.2	4 748.6
Other staff cost	65.0	2.5	3.8	2.5	70.0
Consultants	0.0	22.1		1.0	23.1
Travel	155.0	(2.9)	(1.9)	5.7	157.8
Operating expenses	663.3	(5.0)	(0.8)	24.9	683.2
Furniture and equipment	15.8	16.7	105.7	1.3	33.8
Reimbursements/contributions	1 480.6	(92.7)	(6.3)	52.0	1 439.9
Subtotal	6 443.2	(755.4)	(11.7)	1 488.6	7 156.4
Total					
Posts	9 248.0	(1 643.0)	(17.8)	2 851.7	10 456.7
Other staff cost	174.2	6.7	3.8	6.8	187.7
Consultants	250.4	(156.2)	(62.4)	2.6	96.8
Travel	452.1	(162.6)	(36.0)	9.9	299.4
Operating expenses	1 623.9	(63.0)	(3.9)	58.7	1 619.6
Furniture and equipment	46.0	24.0	52.2	2.8	72.8
Reimbursements/contributions	1 863.9	(278.4)	(14.9)	58.3	1 643.8
Total	13 658.5	(2 272.5)	(16.6)	2 990.8	14 376.8

Summary table 7(b). UNCDF estimated distribution of posts by source of funds, 2004-2005

	International Professional category and above									
	USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	Grand total
A. Programme support											
2002 - 2003 Regular resources	-	-	4	6	2	1	1	14	-	6	20
2004 - 2005 Regular resources	-	-	4	3	3	2	-	12	-	4	16
B. Management and administration											
2002 - 2003 Regular resources	-	1	1	2	4	1	-	9	-	9	18
2004 - 2005 Regular resources	-	1	1	1	4	1	1	9	-	7	16
2002 - 2003 Other resources	-	-	-	-	-	-	-	-	-	-	-
2004 - 2005 Other resources	-	-	-	-	-	-	-	-	-	-	-
C. Grand total											
2002 - 2003 Regular resources	-	1	5	8	6	2	1	23	-	15	38
2002 - 2003 Other resources	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	5	8	6	2	1	23	-	15	38
2004 - 2005 Regular resources	-	1	5	4	7	3	1	21	-	11	32
2004 - 2005 Other resources	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	5	4	7	3	1	21	-	11	32

Summary table 8(a). UNIFEM proposed budget estimates by expenditure category within budget component, 2004-2005

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2002 - 2003 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2004 - 2005 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	5 647.2	0.0	0.0	1 380.3	7 027.5
Other staff cost	94.7	0.0	0.0	4.8	99.5
Consultants	102.8	0.0	0.0	5.2	108.0
Travel	91.7	0.0	0.0	3.5	95.2
Operating expenses	810.6	0.0	0.0	282.8	1 093.4
Furniture and equipment	81.5	0.0	0.0	0.0	81.5
Reimbursements/contributions	0.0	0.0		0.0	0.0
Subtotal	6 828.5	0.0	0.0	1 676.6	8 505.1
B. MANAGEMENT AND ADMINISTRATION					
Posts	2 895.8	0.0	0.0	740.3	3 636.1
Other staff cost	94.7	0.0	0.0	3.5	98.2
Consultants	91.9	0.0	0.0	3.4	95.3
Travel	64.6	0.0	0.0	4.7	69.3
Operating expenses	692.8	0.0	0.0	91.2	784.0
Furniture and equipment	64.2	0.0	0.0	0.0	64.2
Reimbursements/contributions	1 605.0	0.0	0.0	0.0	1 605.0
Subtotal	5 509.0	0.0	0.0	843.1	6 352.1
Total					
Posts	8 543.0	0.0	0.0	2 120.6	10 663.6
Other staff cost	189.4	0.0	0.0	8.3	197.7
Consultants	194.7	0.0	0.0	8.6	203.3
Travel	156.3	0.0	0.0	8.2	164.5
Operating expenses	1 503.4	0.0	0.0	374.0	1 877.4
Furniture and equipment	145.7	0.0	0.0	0.0	145.7
Reimbursements/contributions	1 605.0	0.0	0.0	0.0	1 605.0
Total	12 337.5	0.0	0.0	2 519.7	14 857.2

Summary table 8(b). UNIFEM estimated distribution of posts by source of funds, 2004-2005

		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	Grand total
A. Programme support												
2002 - 2003 Regular resources		-	-	1	8	5	1	-	15	-	8	23
2004 - 2005 Regular resources		-	-	1	8	5	1	-	15	-	8	23
B. Management and administration												
2002 - 2003 Regular resources		-	1	1	-	3	2	-	7	-	6	13
2004 - 2005 Regular resources		-	1	1	-	4	1	-	7	-	6	13
2002 - 2003 Other resources		-	-	-	-	3	3	-	6	-	5	11
2004 - 2005 Other resources		-	-	-	-	3	3	-	6	-	5	11
C. Grand total												
2002 - 2003 Regular resources		-	1	2	8	8	3	-	22	-	14	36
2002 - 2003 Other resources		-	-	-	-	3	3	-	6	-	5	11
	Total	-	1	2	8	11	6	-	28	-	19	47
2004 - 2005 Regular resources		-	1	2	8	9	2	-	22	-	14	36
2004 - 2005 Other resources		-	-	-	-	3	3	-	6	-	5	11
	Total	-	1	2	8	12	5	-	28	-	19	47

Annexes

Annex 1
Terminology

Terms on which common agreement has been reached and their corresponding definitions are given below.

Appropriation line (Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF)

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering programme support and management and administration of the organization.

Cost (increase/decrease)

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Gross budget

For voluntarily funded organizations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, i.e., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Net budget

For voluntarily funded organizations, the budget which reflects estimates of income to be expected which offsets, in whole or in part, the related gross budget estimates.

Other resources

Resources of a voluntarily funded organization, other than regular resources, that are received for a specific programme purpose (other resources relating to programmes) and for the provision of specific services to third parties (other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than regular resources, that are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not relating to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units that are primarily responsible for the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex 2
Methodology

The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget during the first months of the second year of the current biennium. A description of each sequential step follows.

Volume adjustments

First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

Various cost adjustments

To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant) and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

Currency adjustments

Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

Inflation adjustment

Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency; as follows:

(a) *For the first year of the current biennium to the first year of the proposed biennium.* The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and
(iii) The inflation projection for the first year of the proposed biennium.

(b) *For the second year of the current biennium to the second year of the proposed biennium:*
(i) (iii) as in (a) above; and
(iv) the inflation projection for the second year of the proposed biennium.

In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The estimated movement of post adjustment for international Professional staff;

(b) International travel and common staff costs for international Professional staff (this is the same for all locations);

(c) Salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and

(d) All other costs, such as operating expenses.

Within this general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

Annex 3. UNDP corporate functions and related responsibilities

Function and related responsibilities	Responsible lead bureau/organizational unit	Senior level posts – regular support budget (D and above)
Strategic decision-making and overall accountability: Provides overall policy direction; includes Executive Board, Administrator, Senior Management Team and Office of the Administrator. Oversight of UNIFEM, UNCDF, TCDC and UNV.[1]	Office of the Administrator	Office of the Administrator: 1 Administrator, 1 USG, 1 D2 and 1 D1 TCDC: 1 D2 and 1 D1
Development and management of strategic partnerships, resource mobilization, communications: Responsible for developing and managing relationships and communications with Member States, United Nations organizations, donors, private sector, NGOs; as well as mobilizing regular resources, and managing relationship with Executive Board.	BRSP and Communications Office	BRSP: 2 D2 and 8 D1 Communications Office: 1 D2
Corporate oversight and accountability: Programme evaluation, management audit and liaison with external audit, and oversight of UNDP programme operations.	Evaluation Office, OAPR, and OSG	EO: 1 D2 and 1 D1 OAPR: 1 D2 OSG: 1 D2
Global advocacy and development policy leadership, including programme policy analysis and substantive support to country office operations: Support for programming to provide country offices with quick access to: experience and best practice in different countries, global sources of expertise, development of staff substantive capability, translation of global policy agendas into programming guidelines useful to country offices. Corporate development policy research, focused on topical issues of direct relevance to programme countries; and repository for the organization's substantive and operational policies.	BDP	BDP: 1 ASG, 4 D2 and 6 D1
Management of country and regional operations: Articulation of Regional development issues and manages UNDP relationships with programme countries Responsible for the management oversight of country and regional operations, including resident coordinator/resident representative performance, as well as staff assignments in the region. Responsible for all resources.	Regional bureaux	RBA: 1 ASG, 2 D2 and 4 D1 RBAP: 1 ASG, 1 D2 and 3 D1 RBAS: 1 ASG, 1 D2 and 2 D1 RBEC: 1 ASG, 1 D2 and 1 D1 RBLAC: 1 ASG, 1 D2 and 2 D1

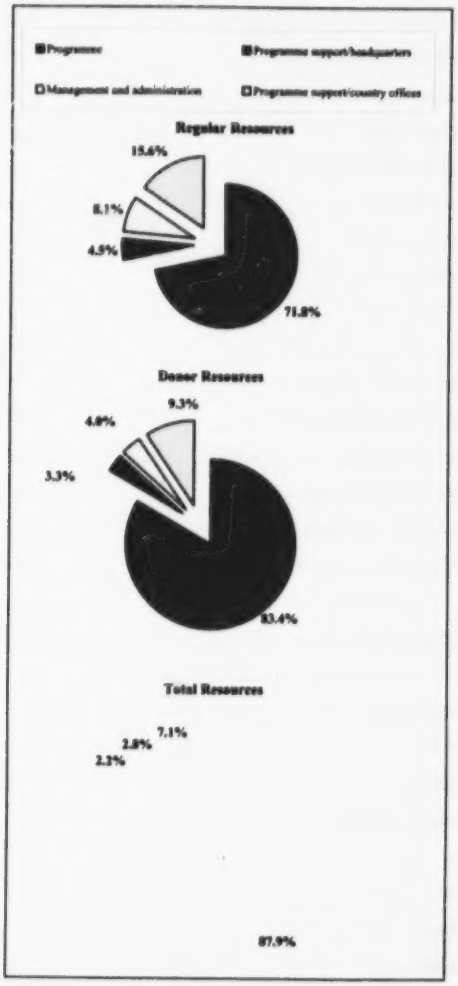
[1] The basic infrastructure of UNV is under the UNDP regular support budget and comprise one D2 and three D1 at the senior level.

Function and related responsibilities	Responsible lead bureau/organizational unit	Senior level posts – regular support budget (D and above)
Allocated to the region – financial and personnel.		
Management of crisis prevention and recovery response and related activities: Develops a global view of UNDP activities in crisis prevention and recovery and ensures coordinated support to operations together with regional bureaux.	BCPR	BCPR: 1 ASG, 1 D2, 2 D1
Planning, budgeting, financial, human resources, administrative and legal services and management: **Corporate planning, budgeting and resource allocation:** Brings together planning, programme resource assignment and organizational budgeting. **Corporate financial management:** Performs corporate treasury functions, and responsibility for corporate accounting and financial reporting, financial policies, regulations and rules. **Administrative services, including procurement and legal services:** Define minimum standards and procedures for procurement and approve defined categories of procurement (large contracts). Provision of legal services. **Strategic human resource management:** Overall corporate human resource management, strategic staffing matters including workforce planning, development and of human resource policies, establishment of job/personnel standards, learning & career development/counselling and establishing organizational standards and provision of services. **Corporate management information:** Specifies and supervise contracts for development and maintenance of headquarters management information systems. Would also establish ICT platform and minimum corporate ICT information technology standards.	BOM: Directorate Office of Corporate Planning Office of Budget Resources Office Finance and Administration Office of Legal and Procurement Services Office of Human Resources Office of Information Systems Technology	BOM: 1 ASG, 4 D2 and 12 D1

Annex 4
Measurement of overhead

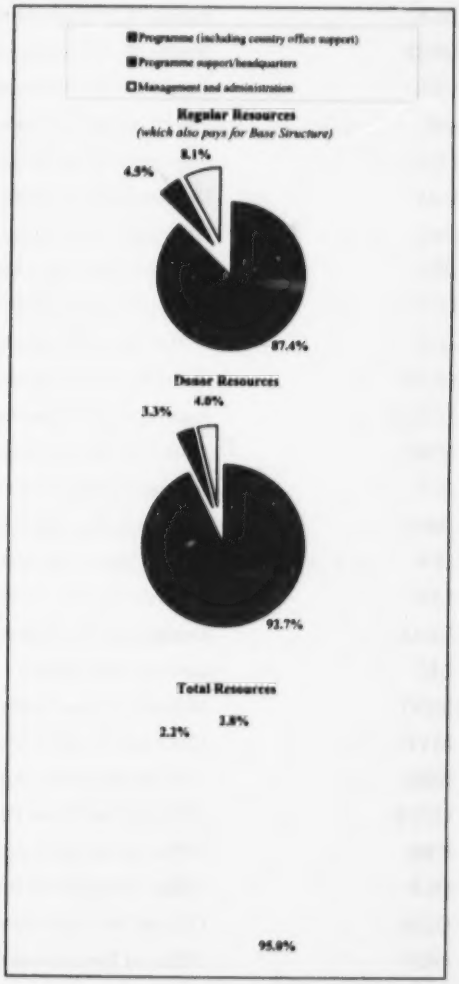
Current approach:

Overhead = programme support/country offices + programme support/headquarters + management and administration



Possible alternative approach:

Overhead = programme support/headquarters + management and administration



Annex 5
Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ASG	Assistant Secretary-General
BCPR	Bureau of Crisis Prevention and Recovery
BDP	Bureau for Development Policy
BOM	Bureau of Management
BRSP	Bureau for Resources and Strategic Partnerships
CEB	Chief Executives Board
CIS	Commonwealth of Independent States
COA	Communications Office of the Administrator
DAC	Development Assistance Committee
ERD	Emergency Response Division
ERP	Enterprise Resource Planning
GCF	Global Cooperation Framework
GEF	Global Environment Facility
GLOC	Government contributions to local office costs
IAPSO	Inter-Agency Procurement Services Office
ICSC	International Civil Service Commission
ICT	Information and communication technology
IMIS	Integrated management information system
IYV	International Year of the Volunteer
LDC	Least developed country
LEAD	Leadership Development Programme
LIC	Low-income country
MDG	Millennium Development Goals
MYFF	Multi-year funding framework
NGO	Non-governmental organization
OAPR	Office of Audit and Performance Review
OBR	Office of Budget Resources
OCP	Office of Corporate Planning
ODA	Official development assistance
ODS	Office of Development Studies
OECD	Organization for Economic Co-operation and Development
OFA	Office of Finance and Administration
OHR	Office of Human Resources
OIST	Office of Information Systems and Technology
OLPS	Office of Legal and Procurement Support
OSG	Operations Support Group
PAPP	Programme of Assistance to the Palestinian People

PRSP	Poverty Reduction Strategy Papers
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau for Arab States
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RBLAC	Regional Bureau for Latin America and the Caribbean
RBM	Results-based management
ROAR	Results-oriented annual report
SRF	Strategic results framework
SU/TCDC	Special Unit for Technical Cooperation among Developing Countries
SURF	Sub-regional resource facility
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
USG	Under-Secretary-General
VDA	Virtual Development Academy